

# Auditing Procedures Report

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Issued under Public Act 2 of 1968, as amended.

Unit Name	County of Ottawa	County	OTTAWA	Type	COUNTY	MuniCode	70-0-000
Opinion Date	Jun 11, 2008	Audit Submitted	Jun 23, 2008	Fiscal Year	2007		

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/>	18. Are there reported deficiencies?
<input type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 56,678,553.00
General Fund Expenditure:	\$ 45,083,570.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 22,146,478.00
Governmental Activities Long-Term Debt (see instructions):	\$ 29,680,000.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	Douglas	Last Name	Vredeveid	Ten Digit License Number	1101021289
CPA Street Address	4001 Granada Ct	City	Grand Rapids	State MI	Zip Code 49534
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					Zip Code 49460

**County of Ottawa  
Grand Haven, Michigan**



**2007 Comprehensive Annual  
Financial Report**  
Year Ended December 31, 2007

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

of

## **COUNTY OF OTTAWA**

Grand Haven, Michigan

For the Year Ended December 31, 2007

### **BOARD OF COMMISSIONERS**

2007

DONALD DISSELKOEN, CHAIRPERSON

PHILIP KUYERS, VICE CHAIRPERSON

EDWARD BERGHORST

MATTHEW HEHL

JAMES HOLTROP

JIM HOLTVLUWER

JOYCE KORTMAN

JANE RUITER

ROGER RYCENGA

GORDON SCHROTENBOER

DENNIS W. SWARTOUT

### **ADMINISTRATOR**

ALAN G. VANDERBERG

### **FISCAL SERVICES DIRECTOR**

JUNE HAGAN

**COUNTY OF OTTAWA**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended December 31, 2007**

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# County of Ottawa

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**Alan G. Vanderberg**  
*County Administrator*

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June 16, 2008

Members of the Board and the Citizens of the County of Ottawa:

The Comprehensive Annual Financial Report of the County of Ottawa, Michigan, for the fiscal year ended December 31, 2007, is submitted herewith. The financial statements included in this report have been audited by Vredeveld Haefner LLC, an independent firm of certified public accountants. The report is prepared for the purpose of disclosing the County's financial condition to its residents, elected officials, and other interested parties.

The financial statements have been prepared in compliance with applicable State statutes and Generally Accepted Accounting Principles (GAAP) as stated in the Governmental Accounting Standards Board statements and interpretations. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects, and that it is presented in such a manner as to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its funds.

The independent audit of the financial statements of the County of Ottawa was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County of Ottawa's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and

should be read in conjunction with it. The County of Ottawa's MD&A can be found immediately following the report of the independent auditors.

## **REPORTING ENTITY AND ITS SERVICES**

Named for the Ottawa Indians who hunted and fished the area's forests and streams, Ottawa County was established in 1837. The County began operation in December of 1837, and the U.S. Census of 1840 listed only 208 people in all of Ottawa County. The estimated 2007 population is 259,206 with growth expected in the years ahead. Ottawa County, encompassing an area of approximately 565 square miles, is located in the southwestern portion of Michigan's lower peninsula having over 30 miles of Lake Michigan shoreline. The County is comprised of six cities, one village, and seventeen townships. Ottawa County is the eighth largest county in Michigan in terms of total population. The County is bordered by the City of Muskegon to the Northwest and the City of Grand Rapids to the East.

The topography of the County is flat to gently rolling, with approximately half of its land area being devoted to agricultural purposes. The County enjoys a healthy mix of tourism, industrial, commercial, and agricultural uses within its confines.

The County's legislative body is an eleven-member Board of Commissioners which is elected from single-member districts, determined by population, on a partisan basis for two-year terms. The Board annually elects from within its ranks a Chairman and Vice-Chairman by majority vote.

The financial reporting entity of Ottawa County includes all the funds and capital assets of the primary government (i.e., Ottawa County, as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The County provides a full range of services that are either mandated by State statute or authorized by the County Board of Commissioners. These services include legislative, judicial, public safety, public works, health, welfare, recreational, capital improvements and general administrative services.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Ottawa County Building Authority is separated into the appropriate categories of Debt Service, Capital Projects, Capital Assets and Long-term Debt and the Ottawa County, Michigan Insurance Authority is reported as an internal service fund. Discretely presented component units are reported separately in the government wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Ottawa County Road Commission, the Ottawa County Central Dispatch Authority, the Ottawa County Public Utilities System, and the Ottawa County Drain Commission are reported as discretely presented component units.

## ECONOMIC CONDITION AND OUTLOOK

### LOCAL ECONOMY

#### Unemployment

By many economic indicators, 2007 was a good year for Ottawa County's economy relative to the overall economy of the State of Michigan. In 2007, the annual average civilian labor force in Ottawa County was 136,825. Of that total, 129,192 persons were employed and 7,633 persons unemployed for an unemployment rate of 5.6 percent. The County's rate was much less than the State of Michigan average of 7.2 percent and closer to the national unemployment rate of 4.6 percent.

Year	Ottawa County	Michigan	National
2004	5.5%	7.0%	5.5%
2005	5.2%	6.8%	5.1%
2006	5.3%	6.9%	4.6%
2007	5.6%	7.2%	4.6%

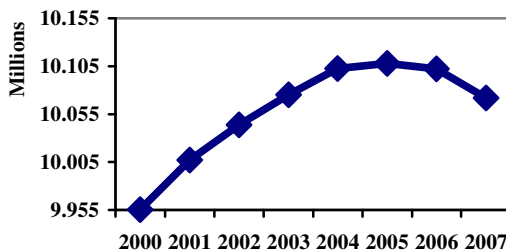
When looking at the annual average unemployment rates for the last several years, what was encouraging for Ottawa County is that since 2003, the annual average rate has varied by only 0.7 percent, ranging from 5.2 percent in 2005 to 5.9 percent in 2003.

It is also important to note that since 2002, the annual average total employment has been growing in Ottawa County. Over the four-year period (2002 to 2006), the collective increase in total employment has been 8,920 jobs.

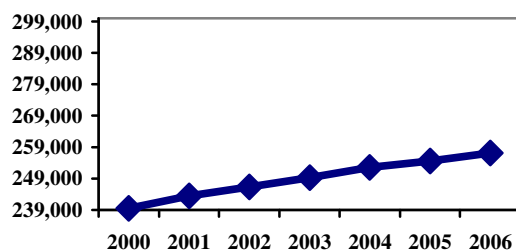
#### Population

Ottawa County's total population continues to grow. According to the Census Bureau, Ottawa County had a total population of 238,314 residents in 2000. Since then, the Bureau has reported steady growth in the County's population with the latest 2007 population estimate being 259,206 which represents an 8.8 percent increase since 2000. This is in sharp contrast to the State of Michigan as a whole. The State has seen decreasing population over the last few years. The graphs below show the different population trends between Ottawa County and the State of Michigan.

State of Michigan Population



Ottawa County Population

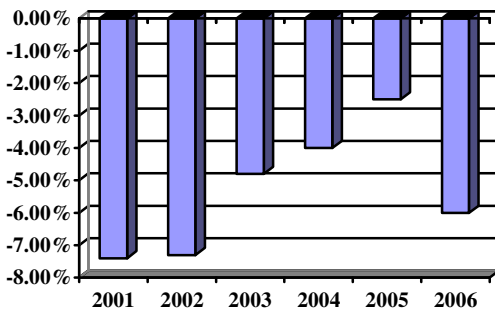


In 2007, Ottawa County was the 8<sup>th</sup> largest county in the State of Michigan, in terms of total population. Between 2006 and 2007, there were 2,034 new residents in Ottawa County. As for the percent of growth over the previous year, Ottawa County was the third fastest growing county in Michigan. Between 2000 and 2007, total population in Ottawa County increased by 20,892 residents which ranked Ottawa County fifth of 83 counties in the State of Michigan in terms of population increase. During this period, the State's total population had increased by 133,378 persons for a 1.3 percent growth rate.

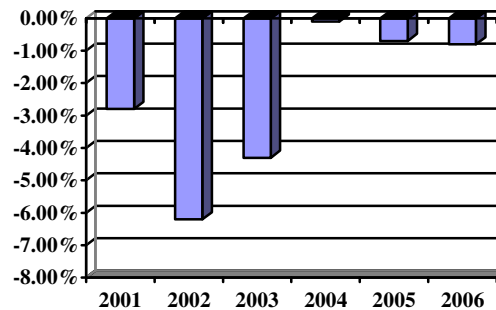
### Composition of the Ottawa County Workforce

Ottawa County's workforce is heavily tied to manufacturing. In 2006, approximately 36.1% of all private sector workers in Ottawa County worked in manufacturing (37,241 workers). This compared to a State of Michigan average of 17.6%. Since 2000, manufacturing employment levels have been steadily sliding in Michigan. Michigan lost 248,637 manufacturing jobs since 2000 - a decrease of 28%. By comparison, Ottawa County also experienced a steady decrease in its manufacturing workforce, but the pace of decline has been much less. Over this same period, Ottawa County lost 6,116 manufacturing jobs for a 14.1% decline.

% Decrease in Manufacturing Jobs – Michigan

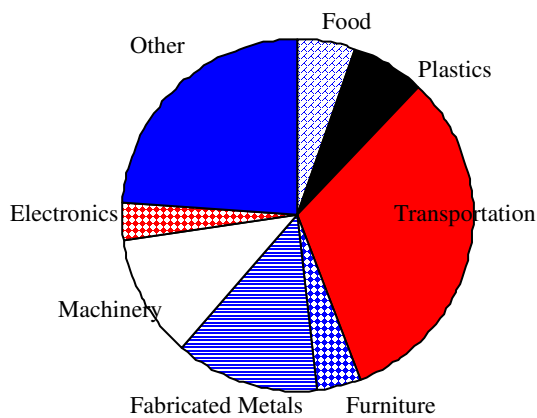


% Decrease in Manufacturing Jobs – Ottawa County

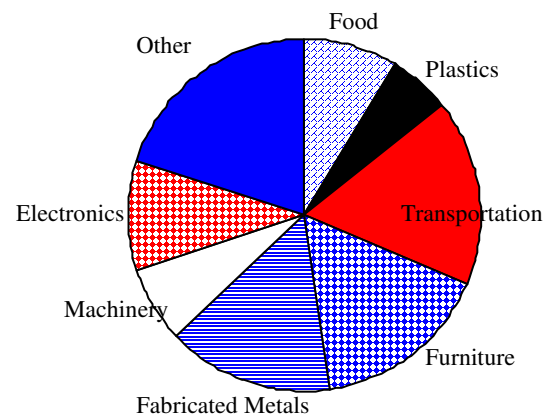


The reason Ottawa County's economy is better as a whole and the percentage of manufacturing jobs lost in Ottawa County is lower than the State is because manufacturing is more diversified in Ottawa County. There are seven large industry groups within Ottawa County's manufacturing sector. In rank order they are as follows: transportation equipment, furniture, fabricated metals, electronic products, food processing, machinery and plastics. The largest group, transportation equipment manufacturing, accounted for about 17.3% of the workforce. The next largest group, furniture manufacturing, accounted for nearly the same share at 16.5%. Collectively, workers in these seven industry groups accounted for 80% of the total private sector manufacturing employment in Ottawa County. In contrast, for the State as a whole, transportation equipment accounts for 32.4% of the manufacturing base. The graphs that follow reflect the better diversity of the manufacturing sector in Ottawa County.

## State of Michigan Manufacturing by Industry



## Ottawa County Manufacturing by Industry



### Residential Sector

In recent years, new residential construction has slowed in Ottawa County as it has for most of the country. In 2007, there were 873 housing starts of which 542 were for single family units and 331 for multi-family structures. The annual number of single family unit starts in Ottawa County has been consistently dropping since 2003 when 1,466 starts were recorded. The annual number of multi-family unit starts has fluctuated each year. In 2003, there were almost twice as many multi-family unit starts (644) compared to the level in 2007.

As seen in many areas of the country, Ottawa County has experienced a sharp increase in the number of homes that have gone into foreclosures due primarily to the subprime mortgage crisis. Between 2004 and 2007, Ottawa County experienced a 224 percent increase in the number of home foreclosures. In 2004, there were 262 foreclosures. In 2007, the number grew to a record 850 foreclosures. However, those counties in Michigan that are leading in home foreclosures are located in the Southeast portion of the State: Genesee, Wayne, Macomb and Oakland Counties. According to Realty Trac, the State of Michigan currently (as of March 2007) ranks the sixth state in the country in terms of the number of foreclosure filings.

### Manufacturing

While many Ottawa County manufacturers are expanding, there are other firms which have had to downsize their operations or have uncertainties in their futures. In 2007, auto supplier, Magna Donnelly closed its Grand Haven facility and consolidated that operation into other facilities in Michigan. Plastech Engineered Products, which is based in Dearborn, is in partnership with Johnson Controls and operates several Holland plants. JCI/Plastech produces interior automotive components and is currently the second largest employer in Ottawa County. Earlier in the year, Plastech filed bankruptcy and is in the process of restructuring.

Other industry firms downsizing operations and their workforce in Ottawa County included SAF Holland (which produces coupling units for the trucking industry), Haworth and Herman Miller. The national slowdown in the housing construction has had its impact on suppliers located in Ottawa County. Solar of Michigan, a manufacturer of bath and medicine cabinets in the City of Coopersville closed its doors at the end of 2007. ODL, a Zeeland-based manufacturer of ceiling and door lights for the residential construction market, cut its workforce in early 2008. However, not all the news is bad. Several Ottawa County businesses are expanding and adding jobs. These positive developments are discussed in the County's economic outlook.

## **ECONOMIC OUTLOOK**

### **National Outlook for 2008-09**

Between mid-2003 and late-2007, there was steady job growth in the nation with the addition of about eight million jobs. However, since December 2007, employment growth has been essentially flat with recent monthly job losses in 2008. A weakening housing market, high oil prices and a low level of domestic auto sales are the primary factors that have reduced economic growth in the U.S. According to the Michigan House Fiscal Agency's latest economic outlook, the national annual average unemployment rate is forecast to be 5.1 percent in 2008 and then increase slightly to 5.2 percent in 2009. Consumer sentiment, a strong motivator of personal consumption expenditures, has been recently declining due in part to concerns about high gasoline prices and the possibility that the economy may have weakened to the point of entering a recession. Personal consumption is predicted to decline in 2008 and then increase in 2009. The sales of light motor vehicles are expected to dip to 15.8 million units in 2008 and then rise slightly to 16 million vehicles in 2009. The import share of those vehicles was 23.4 percent in 2007 and is expected to be 23.9 percent in 2008 and 24 percent in 2009. There is continued concern over the stability of the oil supply. World demand for oil is expected to taper off as growth begins to slow which could drop prices.

Besides the rapid rise in the price of oil, the worsening slide in the housing market with the related tightening of credit markets was and continues to be problematic. According to the National Association of Realtors, the national median price of an existing house dropped by 5.8 percent (from \$219,300 to \$206,200) during the fourth quarter of 2007. This was the steepest decline ever recorded. It is believed that conditions will worsen in nation's housing market before they get better. The fear of the U.S. economy going into a recession (the last one was in 2001) has prompted the Federal Reserve to aggressively lower interest rates. Likewise, the federal economic stimulus program is expected to encourage consumer spending. Even if a recession is avoided, employment growth in the U.S. may continue to be sluggish in the future as productivity gains continue to occur in place of the creation of new jobs.

### **State of Michigan's Outlook for 2008-09**

Unfortunately, the State's economic outlook is not positive either. According to the University of Michigan's most recent economic forecast (released in early April 2008),

the State of Michigan has recorded job losses for the last seven consecutive years. The net loss for 2007 is estimated to be 69,300 jobs. Two more years of job losses are anticipated (50,000 for 2008 and 23,300 for 2009) before positive job growth begins occurring at the end of 2009. Losses are largely due to the continued downsizing of the domestic automotive industry. Domestic car manufacturers are expected to lose more market share to the foreign-owned automakers. Generally, for each manufacturing job that is lost, there is at least one service job that is also lost. Current national issues including the rising costs of fuel and food items, subprime mortgage crisis/home foreclosures and negative consumer sentiment have all contributed to slumping automotive and light truck sales.

According to the Michigan House Fiscal Agency's latest economic outlook (released in January 2008), Michigan's annual average unemployment rate is forecast to be 8.2 percent in 2008 and increase slightly to 8.5 percent in 2009. Among all states, Michigan had the highest annual average unemployment rate both in 2006 and 2007. Michigan will likely continue to lead the other States in the nation in terms of high unemployment rates.

### **Ottawa County's Outlook for 2008-09**

The forecast for Ottawa County is much better than that of the State. According to the W.E. Upjohn Institute, total employment in Ottawa County is expected to decrease 0.8 percent in 2008, but then increase by 1.0 percent in 2009. Most of the future job loss will be in the goods-producing sector; the service-providing and government sectors will also experience slight losses. The employment increase in 2009 will be mostly in the service-providing sector.

If Ottawa County's economy continues to perform more in line with the national economy rather than the State's economy, the projected annual average unemployment rates in Ottawa County for 2008 and 2009 will most likely be approximately 6.1 percent and 6.2 percent, respectively. This assumes that there are no major decreases in the employment levels among the top manufacturing employers in Ottawa County during the next two years. However, these unemployment rates could be lower if new employers are attracted into Ottawa County. The reuse of idle assets like the vacated Delphi manufacturing plant in the City of Coopersville could significantly improve the local employment scene.

However, there is encouraging news for Ottawa County despite the challenges just discussed. The County is also experiencing growth in several areas.

### **Commercial Development**

A major new commercial/tourism and recreation development project that has been proposed for construction along U.S. 31 in Port Sheldon Township in Ottawa County is the Great American Sports Complex. When complete, this Complex will be an approximately \$100 million venture. The project is being undertaken by local developers in Holland. The Complex will include a field house, turf fields, basketball and volleyball courts and retailers along the highway frontage. The developers are seeking assistance through the State of Michigan's Brownfield Redevelopment Program. Ottawa County is

currently establishing a county-wide Authority which will assist in the implementation of this large commercial development project.

## **Manufacturing**

While the annual number of manufacturing workers has decreased (following State and national trends) the rate of decline has been very small by comparison. Ottawa County's manufacturing base is well diversified. The ten largest manufacturers in Ottawa County in terms of total employment belong to five different sub-sectors. These top ten manufacturers together employed an estimated 18,056 workers. Currently, the largest manufacturing employer in Ottawa County is office furniture maker Herman Miller located in the City of Zeeland. (By comparison, the top ten non-manufacturers in Ottawa County together employed an estimated 11,653 workers. The largest non-manufacturing employer in Ottawa County is Grand Valley State University, with the main campus located in Allendale Township.)

Although overall sales in the office furniture industry for 2008 and 2009 are expected to decline by one percent and three percent, respectively, local manufacturers are optimistic. According to Herman Miller's most recent quarterly financial report, the company has "achieved year-over-year growth in sales, orders, and backlog. Slowing growth in our U.S. office furniture business was more than offset by gains in our Healthcare and International businesses." The second largest office furniture maker in Ottawa County, Haworth, is based in Holland. Haworth reported that their 2007 sales exceeded the previous year's sales by 12 percent. Because of the company's recent investments, Haworth is growing by gaining market share and improving profitability.

Manufacturers as a whole in Ottawa County have continued to invest in new facilities, facility expansions and the acquisition of new machinery and equipment. In 2007, there were a total of 61 industrial facilities tax abatements issued for expansion projects throughout Ottawa County. Ottawa County ranked second of 83 counties in the State of Michigan in terms of the number of projects. The collective investment of these 61 projects over the next two years was \$172.2 million. As a result of these projects, approximately 835 direct new manufacturing jobs will be created in Ottawa County. Also, there were another eight expansion projects by manufacturers located in the Allegan County portion of the City of Holland. Combined, these firms will invest about \$11.4 million and create about 129 direct new jobs. By comparison, in 2006, Ottawa County also ranked second in the State in the number of tax abatements issued. In that year, there were 80 expansion projects valued at about \$257.7 million and creating an estimated 888 direct new manufacturing jobs.

The largest industrial expansion projects in Ottawa County in 2007 included the following:

<u>Manufacturer</u>	<u>Location</u>	<u>New Investment</u>	<u>New Jobs</u>
Haworth	Holland	\$40,000,000	100
Gentex	Zeeland	36,475,000	120
Sara Lee Foods	Olive Twp	10,167,000	25
Royal Technologies (Plastics)	Jamestown Twp	9,954,000	50
Herman Miller	Zeeland	8,508,034	0
Boyne Machine	Georgetown Twp	7,259,414	40
Lamar Construction	Jamestown Twp	5,541,902	49
Manufacturers Supply	Hudsonville	<u>5,451,578</u>	<u>10</u>
		\$123,356,928	394

Likewise, there are a number of major manufacturing expansion projects planned for implementation in 2008/2009 that have been recently announced or are anticipated for announcement in the near future, include the following:

<u>Manufacturer</u>	<u>Location</u>	<u>New Investment</u>	<u>New Jobs</u>
Automotive Supplier*	Coopersville	\$23,800,000	25
Boar's Head Provisions	Holland Twp	20,100,000	110
Automotive Supplier*	Spring Lake Twp	18,600,000	12
Sara Lee Foods	Olive Twp	14,900,000	20
OMT – Veyhl USA	Holland Twp	4,705,444	14
Request Foods	Holland Twp	2,561,735	5
Innotec Lighting and Visor	Zeeland	1,824,744	10
Plastics *	Hudsonville	900,000	10
BICO Michigan	Tallmadge Twp	<u>755,000</u>	<u>3</u>
		\$ 88,146,923	209

\* Name not yet ready for release

### **Alternative Energy Research and Development**

Further expansion of the economic base will require new products and markets. Efforts will need to be focused on attracting/retaining human capital and in nurturing an innovative environment, and Ottawa County has recognized this. Alternative energy research and development is a new industry that has started-up in Ottawa County. In May 2007, the Pfizer Corporation announced that it was donating its vacated 138,000 square foot, \$50 million Research and Development Center in Holland Township to Michigan State University (MSU) to be utilized as a Bioeconomy Institute. The Institute will have three primary areas of focus: advanced applications research in biofuels, biomaterials and biochemicals; the operation of a business accelerator for commercialization of new products; and the availability of laboratory and pilot manufacturing space for participating businesses. When fully operational, the Institute will have a staff of up to 100 MSU researchers and scientists on site as well as about 50 to 125 workers collectively at the dozen or so private companies located in the incubator/laboratory.

Over the past year, rehabilitation work has been completed on the building (mostly with the utilities) and a leadership endowment was created through the Holland/Zeeland Community Foundation to permanently fund the Executive Director's position at the Institute. So far, approximately \$5.3 million has been raised from area foundations, corporations and community leaders to supplement the endowment fund. The major task ahead will be to locate and recruit a leading researcher in the bioeconomy field to serve as the Institute's Executive Director. It is anticipated that the Institute will open around the end of 2008 or in early 2009.

It is important to note that several economic sectors in Ottawa County have significant projects planned or underway, enhancing the diversity of the County's economy. Moreover, these projects are taking place not just in one geographic area of the County, but are interspersed throughout the County. In addition to the larger investments highlighted, many modest investments continue to develop in the County. Both the multitude and magnitude of investment in the County are indicative of the confidence that the private sector has in Ottawa County. With its strengths in entrepreneurship, pro-business attitudes, local governmental cooperation, innovation, and strong work ethic, Ottawa County will be stable in the years ahead.

#### Long Term Financial Planning/ Financial Policies

In addition to the local economy, the actions the County Board takes also affect the financial outlook for the County. As a part of its budget process, the County projects financial results for five years for the General Fund. Beginning with the 2005 budget cycle, the projections showed that expenditures would continue to outpace revenues, eating up the County's fund balance rather quickly. It became clear that some of the negative revenue trends were not just temporary setbacks, but were permanent operating deficits.

The Ottawa County Operating Budget Policy requires that the operating budget should be supported by ongoing, recurring operating revenues, rather than through bonds or one-time dollars. This protects the County from fluctuating service levels and avoids crisis when onetime revenues are reduced or removed. Consequently, a five year deficit reduction plan was developed and implemented. Specifically, the County planned the following strategies to reduce the operational deficit:

- Raise the operating millage levy .1 mill in 2005, 2006, and 2007.
- General Fund hiring freeze for new full-time positions in 2007
- Increase employee health insurance co-pay from 3% to 10%
- Improve disease prevention and management to reduce health care costs
- Review and rank discretionary services for possible reductions

As a result of the tax levy shift from December to July, additional tax revenues were realized that made the .1 mill increase unnecessary for 2006. A .1 mill increase was approved for 2007, but the additional .1 mill planned above has not yet been levied. With the exception of personnel added in conjunction with the new Holland District Court facility, no new, locally funded positions were added with the 2008 budget process, and

employee health insurance co-pay will steadily be increased over the next three years to 10% of the actuarially determined cost.

The strategy to review and rank discretionary services for possible reductions was directed by the County's fiscal policy which charges the Board to establish priorities and funding mechanisms which allow the County to respond to local and regional economic trauma, changes in service requirements, changes in State and Federal priorities and funding as they affect the County's residents. Currently, County services have been categorized as mandatory, discretionary but necessary, or discretionary. During 2007, the County Board ranked the discretionary items to establish the priorities.

The above strategies as well as other operating budget and fiscal policies guided the 2007 budget and, by extension, the financial results for 2007. As indicated in the Management Discussion and Analysis, a significant portion of the net change in net assets and fund balance is due to unused contingency. The amount budgeted for contingency is directed by the fiscal policy which requires a budget of not less than 1% and not more than 2% of the General Fund's actual expenditures for the most recently completed audit.

In addition, County fiscal policies direct the County to establish an undesignated fund balance in the general fund to pay expenditures caused by unforeseen emergencies, for cash short-falls caused by revenue declines and to eliminate any short-term borrowing. The undesignated fund balance shall be maintained at an amount which represents a minimum of 10% and up to 15% of the General Fund actual expenditures for the most recently completed audit but not more than the equivalent of three months of operations of the planned budget year. 2006 audited General Fund expenditures were \$56,574,473 which produces a target undesignated fund balance range of \$5.7 million to just under \$8.5 million. The 2007 undesignated fund balance was \$10,578,140, so in 2008 the Board will allocate the \$2.1 million above the 15% ceiling to the following:

\$1.4 million for Buildings and Improvements  
\$660,000 for the 2008 budget

The first allocation decision also reflects the direction guided by the fiscal policies. The operating budget policy states that cash balances should be used only for one time expenditures, such as capital equipment and improvements, or contingency accounts. In addition, the fiscal policies direct the County to support efforts which reduce future operating costs. The County will strive to fully fund the County's financing tools (including the Stabilization Fund) to benefit all current and future residents of Ottawa County.

With financial forecasting, the creation of long-term financing tools, and strict adherence to budget and fiscal policies, the County has positively impacted all future financial decisions and the County's financial stability. These tools permit the County to maintain low property tax rates, lower costs to departments, and provide services needed by County citizens.

## **MAJOR INITIATIVES**

The Ottawa County Board of Commissioners initiated and/or completed a number of major initiatives in 2007 designed to enhance Ottawa County residents' quality of life and increase the effectiveness of County government. The following identifies the major initiative areas and the specific initiatives started, continued, or completed in each area.

### **Land Use Planning**

#### **BUILD-OUT ANALYSIS**

The Ottawa County Planning and Grants Department has been developing a County-Wide Build-Out Analysis utilizing a Geographic Information System (GIS). A build-out analysis calculates the amount of vacant and partially built acres, along with the maximum number of structures that could be constructed on that land given the current zoning ordinance, master plan and environmental constraints. From these calculations future population projections are computed.

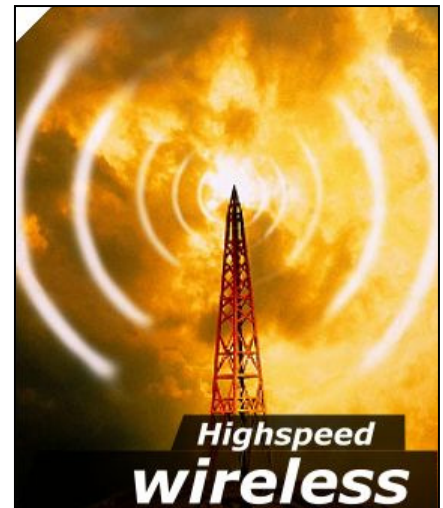
Next, impacts of future development and population growth are extrapolated. These impacts include infrastructure capacity, demand and cost for public services, new tax revenue, and traffic volumes. A build-out analysis will be utilized by local officials to evaluate the potential outcomes of current land use policies and assist in future planning decisions.

### **Technology**

#### **COUNTYWIDE WIRELESS NETWORK**

In an effort to provide high-speed, broadband Internet service to its rural and urban citizens, Ottawa County developed an innovative business model in 2006 that relies on private-sector investments and publicly owned towers.

The County reached an agreement with iPCS Wireless Inc. in March, 2008 that promises an investment of up to \$1 million in order to deploy a countywide wireless network in Ottawa County. According to the agreement conditions, once the network is fully built-out, it will provide service to approximately 95% of the County's population. Although limited areas of the County may not be able to access the network even after the system is fully built, the agreement will result in a broadband system that provides high-speed Internet access to many residents in rural areas of Ottawa County who previously had no broadband access.



## CONTINGENCY SITE DEVELOPMENT/TESTING

The Information Technology Department (IT) created a contingency site using Homeland Security Grant funds in the Grand Haven County building. This site will support processing if a major event disrupts operations in West Olive. Procedures were developed to update transactions on a nightly basis from the critical Justice and Financial Systems. Two tests of the transfer of operations for the Financial System were conducted. The first test identified problems which were resolved, the second test was successful. A network contingency test was also conducted during a planned fiber outage in Grand Haven. Communications were provided using an alternate virtual private network connection via the internet between West Olive and Grand Haven. During 2008, IT plans to move the Imaging Disaster Recovery Server to Grand Haven and to take steps to develop the site for contingencies in support of the Community Mental Health and Public Health.

## IMAGING

In 2007, Ottawa County completed the majority of the Justice Document Management Information System (JDMIS) contracted with ImageSoft, Incorporated. Although the expansion and refinement of imaging capabilities continues, the County's Justice Departments are using document management in their daily operations.

Department	Backfile	Day Forward Scanning	Workflow Narrative Draft	Workflow Narrative Reviewed	Functional Specifications Draft	Functional Specification Review	Functional Specification Signed Off	Workflow Implemented	Issues
Circuit Court Records	X	X	X	X	X	X	X	X	Domestic Workflow Live 05/08/2007, Civil and Criminal Live 11/07/07
Vital Records	X	X	X	X	X	X	X	NA	Implementation Complete – CM Document Migration Sign-off on 05/04/2007
Friend of Court	X	X	X	X	X	X	X	X	Workflow Live 10/15/2007
Prosecuting Attorney	1	X	X	X	X	X	X	X	Inbox Workflow Live 9/24/2007. Warrant, Juvenile and Child Support testing Training Sched 12/07-12/11, live date 12/10
District Court	X	X	X	X	X	X	X	X	Hudsonville Civil workflow went LIVE on 12/05/2007, Remaining Courts and other workflows to be done by Ottawa County IT in 2008.
Sheriff	X	X	X	X	X	X	X	X	Workflow Live 10/15
District Court Probation	NA	2	X	X	X	P			Workflow design by IT 2008
Circuit Court	NA	NA	X	X	X	X	X	X	Workflow live 10/08 incremental deployment
Probate Court	X	X	X	X	2	NA	NA	NA	All backfile documents loaded on 03/09/2007. Guardian workflows to be developed by Ottawa County IT in 2008.
Family Division	NA	1	X	X	X	X	X	X	Workflow Testing 12/10, live date 1/04/2008

1 = Backfiling handled in-house. As of 12/31/2007 there is a backlog of files to be indexed and scanned.

2 = Requirement change: Workflow not originally required. Based on further discussion a Guardianship workflow is needed. This will be an IT developed workflow.

P = In Process

X = Completed

## **Quality of Life**

### **RECREATION**

Park Land Acquisition and Improvement Projects: A number of improvement projects were completed or in progress in 2007. Major projects are summarized below:

- *Bur Oak Landing Acquisition* – A 116 acre parcel with both Grand River frontage and an inland bayou was acquired in Polkton Township adjacent to 86 acres purchased in 2006. Funding assistance from the Michigan Natural Resources Trust Fund helped with the purchase and will also help secure ownership of another 59 acre parcel slated for acquisition in early 2008. When completed, Bur Oak Landing will consist of 261 acres with 1.4 miles of riverfront.
- *Olive Shores Acquisition Project* – Options were obtained for two properties with 538 feet of Lake Michigan frontage in Port Sheldon Township adjacent to 200 feet of lakefront currently owned by Ottawa County. A grant application was submitted and a grant award of \$2 million was recommended to assist with the purchases in 2008 to establish a new Ottawa County Park on Lake Michigan.
- *Upper Macatawa Natural Area Restoration* – A major second phase wetland restoration project was completed along the Macatawa River in 2007. This project was funded with a \$500,000 grant from the Michigan Department of Environmental Quality's Clean Michigan Initiative, \$100,000 in private dollars donated through the Macatawa Greenway Partnership, plus park millage dollars. A section of the previously straightened river was re-meandered and extensive shallow water wetlands were established in an effort to improve water quality and expand wildlife habitat.

## **Health and Welfare**

### **HOUSING**

#### **Ottawa County Public Housing Commission**

The formation of the Ottawa County Public Housing Commission was finalized in 2007 and is currently being staffed by representatives of the Ottawa County Community Action (CAA) and five community members selected by the Ottawa County Board of Commissioners. A county wide housing study was the first major activity of the commission. Ottawa County CAA partnered with the City of Grand Haven, Ottawa County, the Ottawa County Public Housing Commission and the City of Holland to help sponsor an area wide housing study to determine the range of housing needs throughout the county. Anderson Economic Group from Lansing implemented the study in the fall of 2007, with results to be finalized in 2008.

### **PUBLIC HEALTH**

#### **SMOKE-FREE RESTAURANT CAMPAIGN**

The 2006 US Surgeon General's Report found that there is no safe level of exposure to secondhand smoke. The health department, in collaboration with the Smoke-Free Ottawa Coalition, initiated a campaign to promote smoke-free dining.



The campaign encouraged restaurants to become smoke-free, provided tools and tips to ease the transition, and offered smoke-free dining establishments the opportunity to be featured in a coupon booklet. Twenty-nine Ottawa County restaurants opened smoke-free last year and ten of those cleaned the air as a result of the promotion. Fifteen thousand of the popular coupon booklets, featuring discounts for 35 smoke-free restaurants, were produced and distributed in only five weeks. The success of the campaign has resulted in a \$25,000 grant from the State of Michigan to repeat the project during 2008.

### **COUNTY RESIDENTS STRIKE GOLD**



Alarming rates of obesity are being reported both nationally and locally. The Ottawa County Health Department provides programs to increase healthy lifestyles of residents, including the promotion of physical activity. Ottawa County residents had an extra incentive to be active last year. Taking a walk could lead to gold! The Ottawa County Health Department, collaborating with the Ottawa County Wellness Coalition, implemented the Golden

Shoe Campaign. Designed to get residents active, the department and coalition designed walking routes in Holland, Zeeland, and Grand Haven. Every two weeks, a “golden shoe” was hidden along each route. Those who found the treasures won a new pair of athletic shoes. Walkers were also offered additional incentives by registering to win “wellness baskets” each time they walked a Golden Shoe route. During the six month program, the routes were walked 1,970 times. Ninety-three percent of participants indicated that the Golden Shoe Campaign was a fun way to be physically active and, 73 percent of walkers reported that the campaign helped them to increase their level of physical activity.

### **Facility and Related Improvements**

#### **GRAND HAVEN COURTHOUSE**

The forty-year-old, 67,000 square-foot County building in Grand Haven will be demolished and a new 118,000 square-foot Courthouse is under construction on the historic County Courthouse site. The new Courthouse will suit the style and vision of the City of Grand Haven’s Hilltop Neighborhood and signals a commitment to Grand Haven as the County seat well into the future. Prominent features of the proposed design include improved safety and better access to County services.



All court-related functions presently located in Grand Haven remain in Grand Haven, which maintains the link between local businesses and the court system. A resolution was adopted by the Board on June 27, 2006 authorizing the County Building Authority to move forward with the planning of the Courthouse in Grand Haven. Final project costs and design options were presented to the Board for approval in July, 2007. Construction began in August of 2007 and is anticipated to be completed in twenty four months.

#### WEST OLIVE ADDITION

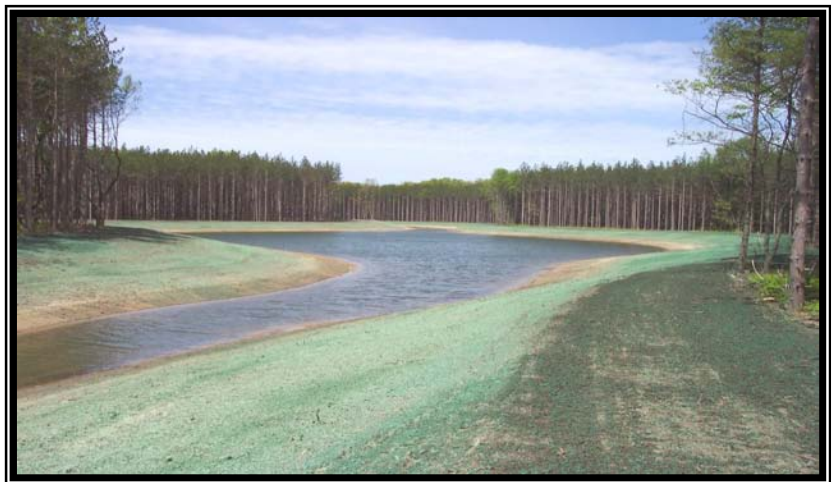
A 35,000 square-foot expansion of the Administration Building on Fillmore Street was also approved during 2006. The new addition along with some renovation to existing space will accommodate staff from Cooperative Extension, the Treasurer, Clerk vital records, Drain Commissioner and the Register of Deeds. The move will consolidate operational staff that work together on a daily basis and allow citizens easier access to some services that are now available



only in Grand Haven. A resolution was adopted by the Board on June 27, 2006 authorizing the County Building Authority to move forward with the planning of the addition at Fillmore Street. Construction began in October, 2007 and completion is anticipated in 2008.

#### SOUTHWEST OTTAWA LANDFILL CLEAN-UP

A \$4.2 million upgrade to the SW Ottawa Landfill (closed) is underway. The upgrades to the Landfill and clean up efforts are divided in three categories: upgrades to the filtration plant/equipment, new piping/wells and the reshaping, recapping, and venting of the landfill. The plan is to cap the landfill, put down new purge wells, close down gradient ineffective wells and install new treatment technology. The recapped landfill has been sculpted as to provide new recreational opportunities for the



Riley Trails, our newest addition to the Parks System. The top of landfill has been shaped to allow sledding and hiking. The low land pond (shown above) will provide a natural flora and fauna habitat. The \$2 million capping effort was completed in October 2006; the remainder of the work will be completed by the end of 2008.

## **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to Ottawa County for its comprehensive annual financial report for the fiscal year ended December 31, 2006. The County has received this prestigious award for twenty four consecutive years.

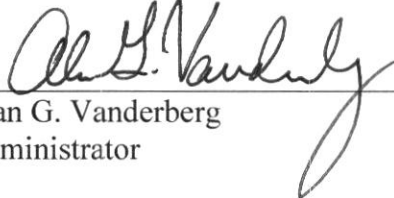
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

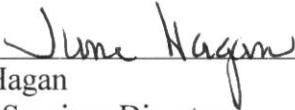
A Certificate of Achievement is granted for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

## ACKNOWLEDGMENT

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Fiscal Services Department. We would like to express our gratitude to all members of the Ottawa County Board of Commissioners for their interest and support in planning and conducting financial operations of the County of Ottawa in a responsible and progressive manner.

Sincerely,

  
\_\_\_\_\_  
Alan G. Vanderberg  
Administrator


  
\_\_\_\_\_  
June Hagan  
Fiscal Services Director

## **STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

Responsibility for the integrity of the financial data presented rests with the County. We believe the data to be accurate in all material aspects. These financial statements are prepared in accordance with Generally Accepted Accounting Principles applicable to county government and State statutes.

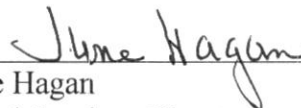
The County maintains a system of internal controls to provide reasonable assurance that the books and records reflect authorized transactions of the County.

Vredeveld Haefner, independent certified public accountants, have audited the accompanying financial statements, and the supplemental financial information has been subjected to the auditing procedures applied in their audit. Vredeveld Haefner's report is included in the financial section of this report.



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Alan G. Vanderberg  
Administrator



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June Hagan  
Fiscal Services Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Ottawa  
Michigan

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



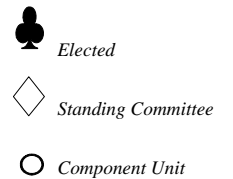
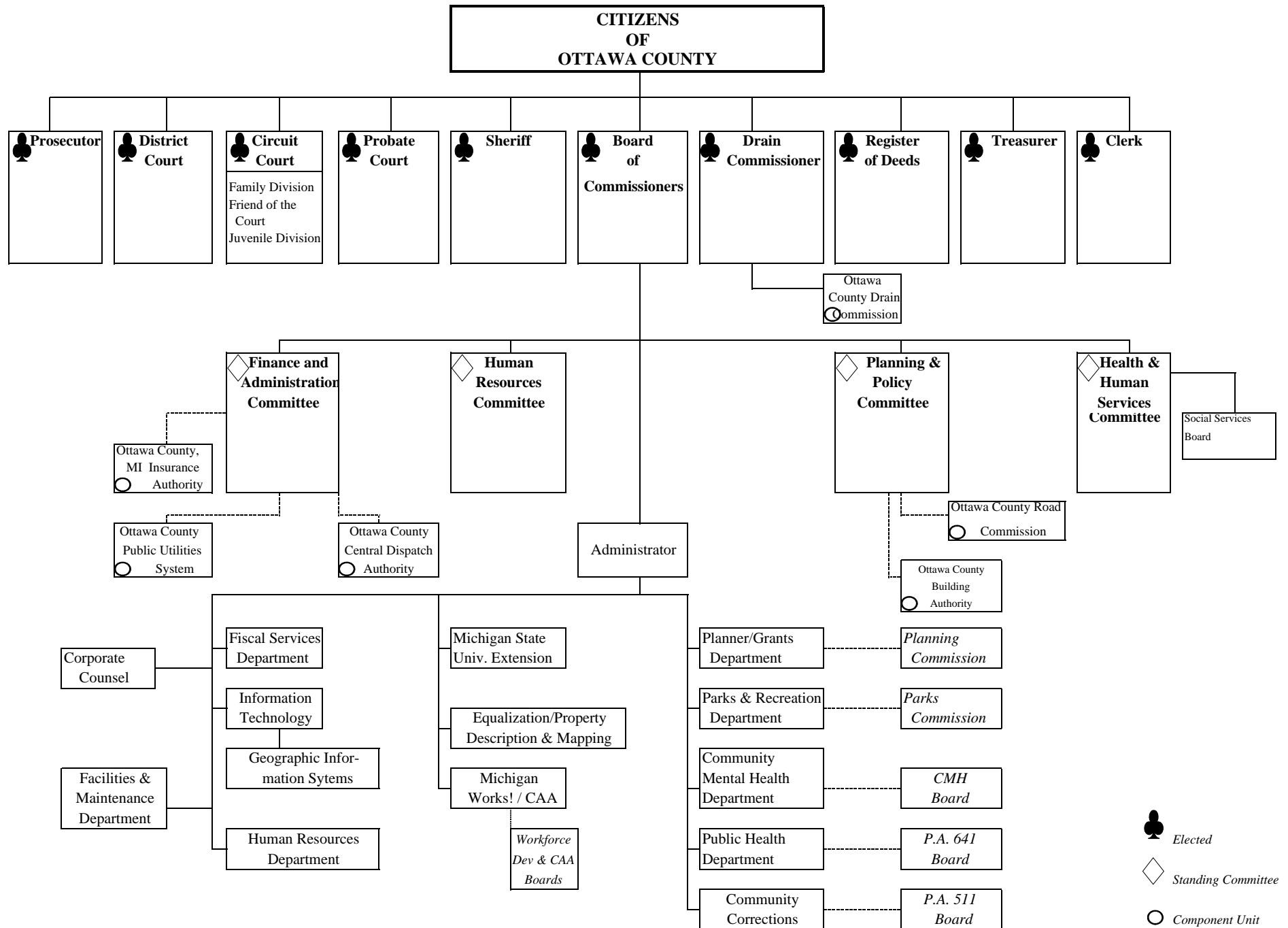
*Charles S. Cox*

President

*Jeffrey R. Emer*

Executive Director

# 2007 ORGANIZATIONAL CHART





*Vredeveld Haefner LLC*

CPA's and Consultants

4001 Granada Ct.

Grand Rapids, MI 49534

FAX (616) 828-0307

**Douglas J. Vredeveld, CPA**

**(616) 446-7474**

**Peter S. Haefner, CPA**

**(616) 460-9388**

## INDEPENDENT AUDITORS' REPORT

June 11, 2008

County of Ottawa  
Board of County Commissioners  
West Olive, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Ottawa, Michigan, as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Ottawa's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Mental Health Special Revenue fund which is a major fund, or the Protected Self-Funded Insurance - Mental Health Internal Service fund. These represent 1.2 percent, .2 percent, and 24.7 percent, respectively, of the assets, net assets, and revenues of the governmental activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Mental Health fund, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Ottawa, Michigan as of December 31, 2007, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and each major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated June 11, 2008, on our consideration of the County of Ottawa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and is important for assessing the results of our audit.

The management's discussion and analysis on pages 3 through 20, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Ottawa's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Ordeuxold Haefner LLC*

## Management's Discussion and Analysis

As management of the *County of Ottawa*, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-xix of this report.

### Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$213,727,910 (*net assets*). Of this amount, \$93,223,144 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$10,806,123.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$85,617,285, an increase of \$6,655,819 in comparison with the prior year. Approximately 71 percent of this total amount, or \$60,689,484 is *available for spending* at the government's discretion (*unreserved and undesignated fund balance*).
- At the end of the current fiscal year, unreserved and undesignated fund balance for the General Fund was \$10,578,140 or 18 percent of total General Fund expenditures (including transfers).
- The County's total bonded debt (including component units) increased by \$41,254,203 during the current fiscal year. The primary government issued \$10 million for building construction and Ottawa County Public Utilities, a component unit, issued \$40,466,203 of debt for the construction of water and sewer systems. Specifically, of the \$40,466,203, \$38,145,000 was for the expansion of the Wyoming Water Supply System.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed

during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of Ottawa County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include legislative, judicial, general government, public safety, public works, health and welfare, community and economic development, and culture and recreation. The business-type activities include the administration of the delinquent property tax system.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also four legally separate entities: Ottawa County Road Commission, Ottawa County Central Dispatch Authority (911), Ottawa County Public Utilities, and the Ottawa County Drain Commissioner. Financial information for the *component units* are reported separately from the financial information presented for the primary government itself. The Ottawa County Building Authority and the Ottawa County, Michigan Insurance Authority, although also legally separate, function for all practical purposes as departments of the County, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 21 - 23 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 45 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Parks and Recreation, Health, Mental Health, Public

Improvement and Revenue Sharing Reserve funds, each of which is considered to be a major fund. Data from the other 39 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its general, special revenue, debt service, capital projects and permanent funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 24-33 of this report.

***Proprietary funds.*** The County maintains two types of proprietary funds. Enterprise funds report the same functions as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for the Delinquent Tax Revolving Fund (5160).

The County maintains *internal service funds* to account for and allocate costs internally among the County's various functions. The County uses 12 internal service funds to account for the following functions: management information services, duplicating, telecommunications, equipment pool, and protected self-funded insurances (both liability and employee fringe benefit insurances to employees). Because these services predominantly benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 34-37 of this report.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 38 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-90 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information*. This is limited to combining statements and schedules and statistical information. Combining and individual fund statements and schedules can be found on pages 91-168 of this report, and the statistical information can be found on pages 169-188.

## **Government-wide Financial Analysis**

### Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County of Ottawa, assets exceeded liabilities by \$213,727,910 at the close of the most recent fiscal year.

## County of Ottawa's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$144,692,371	\$132,113,670	\$24,405,939	\$24,234,117	\$169,098,310	\$156,347,787
Capital assets	107,069,894	100,131,070	3,037	4,049	107,072,931	100,135,119
Total assets	251,762,265	232,244,740	24,408,976	24,238,166	276,171,241	256,482,906
Long-term liabilities outstanding	30,503,151	23,244,328			30,503,151	23,244,328
Other liabilities	31,937,824	30,315,064	2,356	1,727	31,940,180	30,316,791
Total liabilities	62,440,975	53,559,392	2,356	1,727	62,443,331	53,561,119
Net assets:						
Invested in capital assets, net of related debt	81,991,023	78,519,838	3,037	4,049	81,994,060	78,523,887
Restricted	38,510,706	40,108,692			38,510,706	40,108,692
Unrestricted	68,819,561	60,056,818	24,403,583	24,232,390	93,223,144	84,289,208
<b>Total net assets</b>	<b>\$189,321,290</b>	<b>\$178,685,348</b>	<b>\$24,406,620</b>	<b>\$24,236,439</b>	<b>\$213,727,910</b>	<b>\$202,921,787</b>

The largest portion of the County's net assets (44 percent) is unrestricted. *Unrestricted net assets* may be used to meet the government's ongoing obligations to citizens and creditors.

Capital assets, representing 38 percent of total net assets, includes land, buildings, vehicles and equipment less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt should be provided from other sources, since the capital assets themselves cannot readily be used to liquidate these liabilities. Capital assets increased in 2007 mostly due to the start of construction on the new Grand Haven Court house and the expansion of the Fillmore Street facility.

In addition to the net assets invested in capital assets, net of debt, certain other restrictions on the use of net assets apply due primarily to legal guidelines. These restricted net assets total \$38,510,706. The 2006 balance is higher due to the planned use of fund balance in the Revenue Sharing Reserve fund in 2007.

## Statement of Activities

### County of Ottawa's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Revenues</b>						
Program revenue:						
Charges for services	\$23,041,858	\$22,593,666	\$1,711,915	\$1,291,853	\$24,753,773	\$23,885,519
Operating grants and contributions	51,516,123	46,255,848			51,516,123	46,255,848
Capital grants and contributions	1,513,884	850,262			1,513,884	850,262
General revenues:						
Property taxes	41,740,361	49,182,314			41,740,361	49,182,314
Grants and contributions not						
Restricted to specific programs	21,545	24,657			21,545	24,657
Investment earnings	6,740,703	5,007,679	999,816	844,786	7,740,519	5,852,465
Other	524,250	261,156			524,250	261,156
Total revenues	125,098,724	124,175,582	2,711,731	2,136,639	127,810,455	126,312,221
<b>Expenses:</b>						
Legislative	627,625	520,618			627,625	520,618
Judicial	13,317,030	12,605,344			13,317,030	12,605,344
General government	13,401,945	15,175,102			13,401,945	15,175,102
Public safety	25,226,290	24,441,981			25,226,290	24,441,981
Public works	1,264,883	(1,437,838)			1,264,883	(1,437,838)
Health and welfare	57,160,468	54,270,351			57,160,468	54,270,351
Community and economic						
development	601,758	605,805			601,758	605,805
Culture and recreation	1,868,818	1,994,991			1,868,818	1,994,991
Interest on long-term debt	1,018,189	741,070			1,018,189	741,070
Business-type activities			2,541,550	2,243,439	2,541,550	2,243,439
Total expenses	114,487,006	108,917,424	2,541,550	2,243,439	117,028,556	111,160,863
Increase in net assets before transfers						
to other funds	10,611,718	15,258,158	170,181	(106,800)	10,781,899	15,151,358
Transfers	24,224	7,738			24,224	7,738
Increase (decrease) in net assets	10,635,942	15,265,896	170,181	(106,800)	10,806,123	15,159,096
Net assets, beginning of year	178,685,348	163,419,452	24,236,439	24,343,239	202,921,787	187,762,691
<b>Net assets, end of year</b>	<b>\$189,321,290</b>	<b>\$178,685,348</b>	<b>\$24,406,620</b>	<b>\$24,236,439</b>	<b>\$213,727,910</b>	<b>\$202,921,787</b>

## Governmental Activities

The preceding table shows that the primary government's net assets increased by \$10.8 million during 2007. Changes occurred in several funds:

<u>Fund</u>	<u>Effect on Net Assets</u>
General Fund (1010)	\$3,949,000
Parks and Recreation (2081)	3,084,000
Friend of the Court (2160)	176,000
Public Health (2210)	380,000
Public Improvement (2450)	511,000
Register of Deeds Technology (2550)	136,000
Sheriff Grant Programs (2609)	492,000
Revenue Sharing Reserve (2855)	(3,756,000)
Child Care - Circuit Court (2920)	257,000
Internal Service Funds	5,060,000

The financial results for the General Fund were actually more favorable than the table above indicates. When the 2007 budget was adopted, there was a planned *undesignated* fund balance use of \$925,046. Since the General Fund shows an increase of \$2.3 million, it actually came out \$3.2 million better than anticipated. There were four main factors affecting the financial outcome. The increase in the 2007 taxable value was more than anticipated, bringing in an additional \$362,000. Also on the revenue side, investment income was better than anticipated due to improved fair value amounts at year end (\$388,000). Collections from jail inmate billings were higher due to better collection rates (\$201,000) and the County received a large State Criminal Alien Apprehension Program grant award (\$117,000).

Expenditures also played a roll in the positive General Fund financial results mainly due to lower than anticipated expenditures. Specifically, only a small portion of contingency was used in 2007 as the County continued to tighten its hold on spending. Unused contingency amounted to \$390,000. In addition, personnel services expenses were lower than anticipated by \$618,000 due to vacancies and employees opting out of health insurance coverage. The remainder of the difference between the original budget and actual results is spread across several departments and accounts. At the government wide level, net assets also increased with the \$623,000 in elections equipment donated by the State of Michigan and the recognition of revenue deferred on the fund statements of \$100,000.

The Parks and Recreation fund (2081) has a ten-year levy for land acquisition and park development (capital costs). Financial results for this fund can vary depending on the initiatives undertaken. Capital expenditures of \$2.6 million in the Parks and Recreation fund were subtracted at the government wide level. Consequently, at the government wide level, the park activities increased net assets (net of depreciation and debt principal) by \$3.1 million.

The Friend of the Court fund (2160) increased net assets due to a one-time accelerated payment schedule of federal incentive payments. The net assets of the Health fund (2210) increased due to lower than anticipated expenditures overall. The Public Improvement fund (2450) increased with the rental income revenue in the fund. Since there are no significant expenditures currently running through this fund, net assets are increasing. The net assets associated with the Register of Deeds Technology fund (2550) are increasing now that contractual digital record creation is mostly

finished. The fund continues to collect the statutory fees.

The Sheriff 9/30 Grants fund (2609) is increasing with the capital grant awards it received in connection with Homeland Security. The Revenue Sharing Reserve fund (2855) net assets are decreasing by \$3.7 million in 2007. 2006 was the last year of payments into the fund. Beginning in 2007, the net assets are decreasing and will continue to decrease by \$4 million to \$5 million per year until it is depleted (anticipated in 2011). The payments out of this fund represent the State Revenue Sharing payments the County would have received had they not been discontinued by the State on September 30, 2004. The net assets associated with the Child Care – Circuit Court fund (2920) are increasing due to additional bed rental by other Michigan counties at the juvenile detention facility.

The financial results of the internal service funds also increased net assets. For all internal service funds combined, net assets increased by \$5.1 million before transfers. The majority of this increase is in the Ottawa County, Michigan Insurance Authority fund (6780). In a previous year, a liability had been established in connection the SouthWest Ottawa Landfill. The majority of this liability decreased in 2007 as the project nears completion.

In addition, the net assets of the Telecommunications fund (6550) increased due both to lower than anticipated expenditures as well as a significantly more favorable commission rate on phone calls made by inmates. The net assets of the Protected Self-Funded Insurance fund (6770) and Protected Self-Funded Health Insurance fund (6771) also increased significantly. By their nature, the financial results of the self-insured programs can vary due to fluctuating claim incidents and amounts.

## **Revenues:**

Revenues essentially stayed the same in 2007, decreasing slightly by .7% in total. However, there are some significant fluctuations within the revenue categories.

### Program charges for services

Program charges for services increased 2.0% in 2007. This increase is spread across several sources of program charges for services. The most significant variance is the \$416,000 that the County received for the sale of red pine timber. These trees were removed as part of the timber management plan for the County parks in order to prevent disease. In addition, in July of 2006, the Sheriff's department contracted with the City of Hudsonville to provide policing services. 2007 payments are \$205,000 higher, reflecting a full year of the agreement.

### Program operating grants and contributions:

Program grants increased by \$5.3 million or 11.4%. Listed below are significant fluctuations in this category.

<u>Fund</u>	<u>Increase (decrease) in Program Operating Grants</u>
Friend of the Court (2160)	\$261,000
Health (2210)	1,102,000
Mental Health (2220)	1,853,000
Sheriff 9/30 Grants (2609)	479,000
Workforce Investment Act - 12/31 Grants (2744)	205,000
Child Care - Circuit Court (2920)	157,000

In the Friend of the Court fund (2160), grant revenue increased due to a one-time accelerated payment schedule of federal incentive payments. The County plans to use these unanticipated funds to cover budget issues in 2008. In the Health department, the County administered approximately 1,000 more vaccines in 2007 than 2006. The County receives these vaccines free of charge from the Michigan Department of Community Health. In addition, Medicaid cost settlement revenue increased \$354,000 with the final determination on the 2005 cost settlement report. In 2006, the County had deferred this revenue based on the preliminary findings of an audit performed by the Centers for Medicare and Medicaid Services. The audit indicated that the methodology used by the State of Michigan for reimbursement calculations was flawed, resulting in disallowed costs. However, during 2007, a favorable agreement was reached.

In the Mental Health fund, Medicaid revenue increased \$1.8 million with the implementation of a three percent cost of living adjustment across functions and additional funds to cover a two percent increase for direct care workers. In the Sheriff 9/30 Grant Programs fund (2609), the County received an additional \$498,000 in Homeland Security grant funds primarily for the purchase of equipment. Revenue in the Workforce Investment Act 12/31 grant programs increased with additional funds from the Michigan Community Development Block Grant housing award. Grant revenue in the Child Care fund (2920) increased \$157,000 in tandem with increased expenditures. The grant covers 50 percent of all eligible expenditures.

#### Program capital grants and contributions

These revenues vary depending on the number and scope of capital improvement projects. In 2007, the County received donated election equipment from the State of Michigan worth approximately \$623,000. The remaining capital grant revenue is in the Parks and Recreation fund. The 2007 amount of \$891,000 was for two State of Michigan grants for land acquisition and \$193,000 in donations for the North Ottawa Dunes Restoration project.

#### Property taxes

Taxes decreased over \$7.4 million or 15.1%. However, taxable value increased 6.15% from 2005 to 2006 and 6.19% from 2006 to 2007. The reason tax revenue is lower is due to a change in the property tax levy system made by the State of Michigan. The State made this change to allow for the temporary suspension of revenue sharing payments to counties as it restructured the State budget. The legislation entailed moving the operating levy from the December before the fiscal year to July of the fiscal year. This means that the tax base to which the operating levy is applied was moved from the prior year tax base to the budget year tax base. Until the entire operating levy was moved to the budget year, taxes increased in excess of the growth in taxable value.

From the taxpayer standpoint, it did not result in an extra levy for the calendar year. However, for counties, it provided an additional 1/3 of the levy (approximately 1.1666 mills) for three years which ended in 2006. The legislation required that these funds be set aside in a separate fund (Special Revenue fund 2855, Revenue Sharing Reserve). Counties are allowed to draw from this fund the amount it would have received had the State not suspended revenue sharing payments. The legislation requires the State to reinstate revenue sharing dollars when the County's Revenue Sharing Reserve fund is depleted. The date of depletion varies by County; Ottawa County projects that its Revenue Sharing Reserve fund will be depleted in 2011. The table that follows helps to illustrate the relationship between levy dates and tax revenue.

Levy Type	Rate (in mills) Levied 2005	Rate (in mills) Levied 2006	Rate (in mills) Levied 2007	Year Revenue Recognized	Levy Rate Recognized 2006	2006 Revenue *
<b>2006:</b>						
Operating	2.3334			2005		
Operating	1.1666			2006	1.1666	\$10,769,941
9-1-1	0.4411			2006	0.4411	3,772,936
Operating		2.3334		2006	2.3334	22,355,189
Parks	0.3168			2006	0.3168	2,709,513
Revenue Sharing Reserve		1.1666		2006	1.1666	9,354,173
				Total Levy for Fiscal Year	5.4245	
				Total Revenue for Fiscal Year		\$48,961,752
					Levy Rate Recognized 2007	2007 Revenue *
<b>2007:</b>						
Operating			3.6000	2007	3.6000	\$34,230,712
9-1-1		0.4407		2007	0.4407	4,007,283
Parks		0.3165		2007	0.3165	2,877,736
9-1-1			0.4407	2008		
Parks			0.3165	2008		
Revenue Sharing Reserve						-
Total Levies by Year	4.2579	4.2572	4.3572		4.3572	
				Total Revenue for Fiscal Year		\$41,115,731

\* Amounts do not equal tax revenue on the financial statements because the amounts above do not include payments on delinquent personal and industrial facilities tax received during the year.

The table above illustrates that although tax rates stayed relatively steady for taxpayers, the County actually recognized more tax revenue in prior years. Since the shift of the levy was completed in fiscal year 2006, tax revenue in fiscal year 2007 is lower. Nevertheless, it is important to note that the County's tax base remains strong. In addition, the County is somewhat unique in that it does not levy the maximum amount it could levy, and this provides it with additional flexibility should economic conditions deteriorate.

#### Investment earnings

The fair value of several of the County's investments increased significantly in 2007 due to more favorable market conditions. Overall, including actual interest receipts, the return on the County's investment pool increased from 4.37% to 5.73%. In addition, the County received bond proceeds of \$10 million in October of 2007. Since not all of this was spent immediately, additional investment income was earned on these funds as well.

### Other revenue

The Mental Health fund submitted a claim of \$227,000 to the Internal Service Fund in relation the financial results of its managed care activity for 2007. In addition, the Health fund revenue increased due to the offering of new classes for restaurants and food vendors on food service compliance.

### **Expenses:**

Expenses as a whole increased 5.1%. There are significant fluctuations in several of the expenditure categories.

### Legislative

Legislative expenses increased \$107,000 or 20.6%. The main reason for the increase was the \$67,000 management study of Community Mental Health system performed by Plante Moran that was authorized by the Board of Commissioners.

### Judicial

Judicial expenses increased just over \$712,000 or 5.6%. The largest area of increase was in the District Court. During 2006, the District Court moved into a new, larger facility with higher operating costs. The District Court has also made significant progress on the imaging initiative which has also increased costs. In addition, the deteriorating economic conditions have resulted in higher legal fees for indigent defendants and affected all of the courts. Specifically, total legal fees for the courts increased \$267,000.

### General government

General government expenses decreased by \$1.8 million or 11.7%. There were several reasons for higher expenses in 2006. In the Infrastructure fund, a one time payment of \$600,000 was made during 2006 to the Ottawa County Road Commission in connection with a bridge project in the City of Holland. In addition, during 2006, the Community Haven facility was leveled to make way for a new County park. The building was not fully depreciated, so the County sustained a loss on disposal which increased expenses by \$568,000. 2006 was also an election year, so election expenses were higher by \$164,000.

At the government wide level, indirect cost charges to other departments are subtracted both from revenue and general government expenditures. The subtraction for indirect costs was \$529,000 higher in 2007 than in 2006. However, in 2006, the Survey and Remonumentation grant was delayed due to a contract issue with the State of Michigan. Consequently, \$246,000 less was spent in 2006 than 2007.

### Public safety

Public safety expenses increased \$784,000 or 3.2%. In 2007, the County received \$498,000 more in Homeland Security equipment funding than in 2006. In addition, expenditures at the Jail increased \$306,000 in connection with the greater average daily population which went from 368 in 2006 to 395 in 2007. In July of 2006, the Sheriff's department began a contractual arrangement with the City of Hudsonville to provide police services. 2007 is \$170,000 higher as it reflects a full year of service. However, effective October 1, 2007, two large public safety programs, Community Policing – Georgetown in the General Fund and E.M.T – Georgetown (Special Revenue fund 2650) were moved to Special Revenue fund 2610, Sheriff Contracts. Fund 2610 has fiscal year end of

September 30, but the two programs moved there have a fiscal year end of December 31. As a result, the expenditures for October through December 2007 are not in the financial statement. The effect on the statement is to reduce total public safety expenses (and corresponding revenues) by \$287,000. The remaining increase is spread over other public safety programs.

#### Public works

These expenses can vary significantly by year. During 2006, significant progress was made in the remediation efforts of the SouthWest Ottawa Landfill. Accordingly, the liability for the landfill decreased significantly (\$2.2 million). As a result, 2006 expenses were negative since the remaining public works expenses were under \$2.2 million. 2007 expenses reflect the opening of a new recycling center.

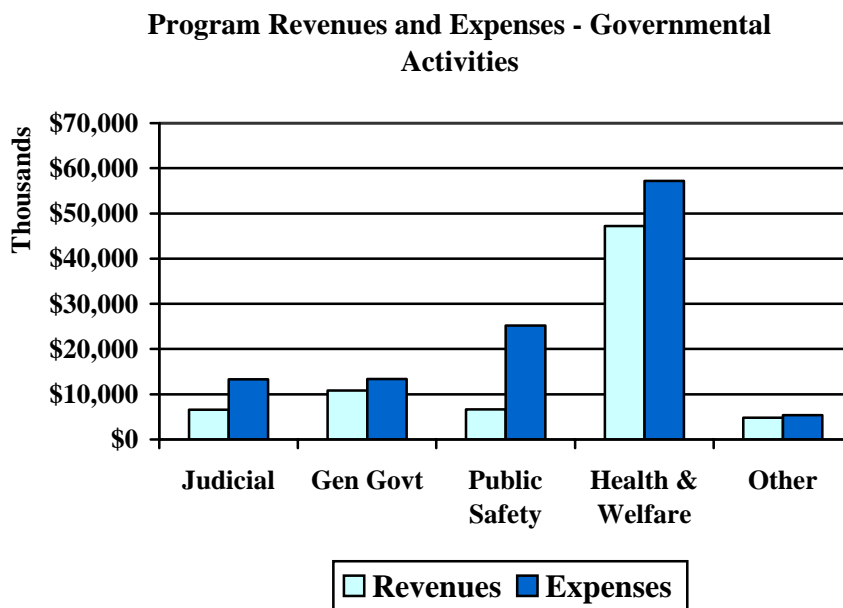
#### Health and Welfare

Health and Welfare programs increased by \$2.9 million or 5.3% in 2007. Mental Health is the largest health and welfare fund, and approximately 45% of their budget is for contractual care for residential placement, respite, and personal care of their clients. In 2007, these expenses increased by \$964,000 due to overall inflationary increases, the expansion of community living services and new placements. In addition, as discussed under program grant revenue, the Health department received and administered significantly more vaccines in 2007 than 2006. The County receives these vaccines free of charges from the State of Michigan, but both revenue and expenditures are recorded to reflect the flow of resources.

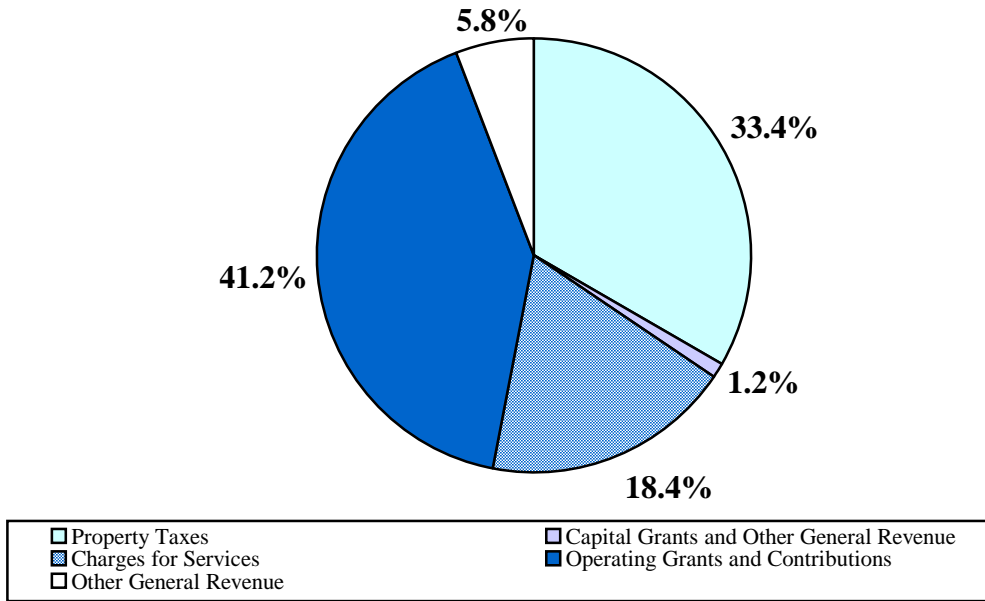
#### Interest on long-term debt

Interest on long-term debt increased 37.4% due to a full year of interest payments on the Holland District Court bonds which were issued in 2005.

The graph below summarizes revenues and expenses by category.



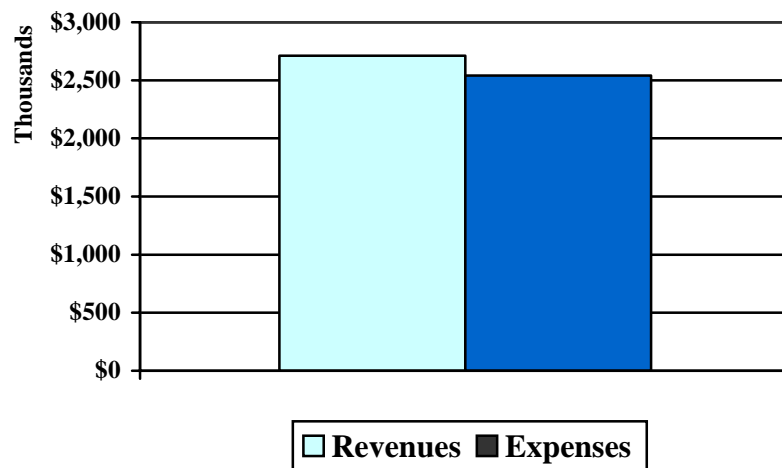
### Revenues by Source - Governmental Activities



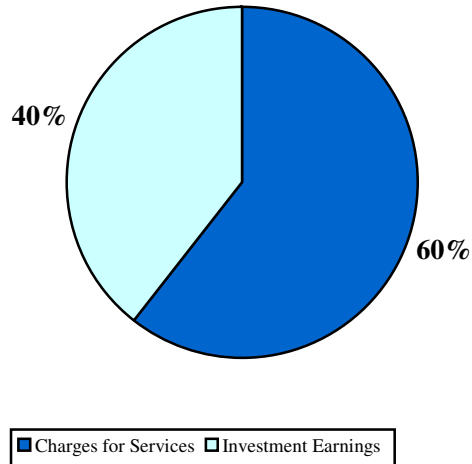
### Business-type Activities

Business-type activities increased the County's net assets by \$170,181. As originally budgeted, the net assets were expected to decrease. The revenues for the business-type activities are penalties and interest on delinquent taxes and investment income. Since the number of delinquencies is increasing, the penalties and interest earned is also increasing. As discussed earlier, investment income was also higher than originally projected. The majority of the expenditures represent rent payments to the Ottawa County Building Authority (blended component unit). These payments cover principal and interest payments on several bond issues.

### Program Revenues and Expenses - Business-type Activities



#### Revenue by Source - Business-type Activities



### **Financial Analysis of the Government's Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds.* The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$85,617,285, an increase of nearly \$6.7 million in comparison with the prior year. Approximately 71% percent of this total amount (\$60.7 million) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) due to legal restrictions (\$22,665,875), 2) to generate income to pay for perpetual cemetery care (\$5,770), 3) to provide a long term advance to component units and other funds (\$325,000) or 4) for other restricted purposes (\$1,931,156).

The General Fund (1010) is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$19,763,187, while total fund balance was \$22,146,478. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 34 percent of total General Fund expenditures.

The fund balance of the County's General Fund increased by \$2.3 million during the current fiscal year. As indicated in the government wide section earlier, this increase in fund balance is especially impressive because the County had budgeted to *use* \$925,000 of undesignated, unreserved fund balance in 2007. The positive, unanticipated results in the County's taxable value and in the fair value of its investments at year end played a major role in the financial results for the year (\$884,000).

In addition, lower than anticipated expenditures also impacted the financial results. Like most governments, the County's resources are becoming more scarce. As a result, the County board is increasingly conservative in regards to funding new initiatives and expansions, allowing the County to essentially maintain its service levels without interruption. One example of this conservatism is that of the \$553,000 budgeted for contingencies, only \$164,000 was used in 2007. In addition, personnel vacancies and employees opting out of health insurance also provided approximately \$688,000 at year end.

The Parks and Recreation fund (2081) has a total fund balance of \$7.7 million, which is an increase of \$902,000. The Parks and Recreation department is undergoing a period of growth and development with the help of a .33 mill approved for park acquisition and development. Accordingly, the fund balance of the fund will vary from year to year with land acquisitions and capital improvement projects. In 2007, the department made \$1 million in land purchases and another \$2.6 million in capital improvements to County parks. Some of these were partially grant funded, which resulted in increased fund balance.

The fund balance of the Health fund (2210) increased by \$433,000. Personnel expenditures were significantly lower (\$380,000) than originally budgeted due to vacancies and insurance opt-outs. In addition, the fund earned additional revenue with its food safety compliance conferences offered to restaurant owners and food vendors (\$63,000).

The fund balance of the Mental Health fund (2220) essentially stayed the same. However, it is important to note that a claim of \$227,000 was made to the Protected Self-Funded Mental Health Insurance fund, and this is reflected in Mental Health revenue.

The fund balance of the Public Improvement fund (2450) increased \$1.2 million. Current building projects are being funded by bond proceeds and other funds, so this fund is increasing by its rent and investment income.

As anticipated, the fund balance of the Revenue Sharing Reserve fund (2855) decreased by \$3.8 million. 2006 was the last year the fund received tax dollars under the State's plan to move the operating levy from December to July. In 2007 and beyond, the fund balance will gradually decrease until depleted. Upon depletion, estimated in 2011, the State is legally obligated to reinstate the State revenue sharing dollars that were eliminated.

### **General Fund Budgetary Highlights**

The original revenue and expenditure budgets for the General Fund (1010) were \$60,137,215 and \$61,062,261 respectively. The amended revenue budget was \$61,422,291, and the amended expenditure budget was \$59,488,957.

The revenue budget increased 2.1% during the year. The largest amendment to the General Fund was to reflect a higher than anticipated increase in taxable value. The County had budgeted a 5% increase in taxable value, but the actual increase was 6.19%. As a result, the tax revenue budget was increased by \$482,000. However, delinquent personal taxes and industrial facilities taxes were underestimated, causing the revenue to be under budget.

The budget for intergovernmental did not change significantly during the year. However, actual receipts for Court Equity funding from the State of Michigan fell \$41,000 short of the budget. The

remaining budget variance is spread across several sources. In addition, the budget for investment revenue was increased by \$250,000 or 16%. 2007 was a much better year for County investments with the average return rate from 4.37% to 5.73%. This strong of an improvement was not anticipated when the budgets were originally established.

The budget for charges for services revenue was increased \$115,000 to reflect the additional court costs generated by the increased caseloads, mainly civil. In addition, fees for inmate housing were increased \$125,000 due to increased billings (due to higher jail occupancy) and improving collection rates. The revenue budget was also increased by \$180,000 to reflect the sale of Red Pine timber that was harvested from County parks in connection with its timber management plan. An additional \$236,000 was added to the Parks and Recreation revenue budget for this same reason. The remaining increase is spread across several departments. Last, although the budget for rental income did not change significantly, it was under budget by \$155,000. Most of this income comes from charges made to departments for building space. The budgets are based on the building and grounds budgets which are quite conservative. Since the building related expenditures were under budget, the revenue is also under budget.

The budget for expenditures decreased \$1.57 million in total. The main area decreased was in personnel services (\$1.04 million) to reflect vacancies, insurance opt-outs and the move of a community policing program to a different fund (see also Public safety expenses). These adjustments are spread across several functions. Judicial expenditures were increased \$237,000 for indigent legal fees. Of this amount \$125,000 related to the high profile Janet Chandler murder case.

General government expenditure budgets were decreased \$581,000. Of this amount, \$405,000 was for personnel vacancies and insurance opt outs. These expenditures are underbudget overall, but \$194,000 can be attributed to building and grounds. Utilities and repair and maintenance accounts are difficult to budget. The budget for public safety expenditures was decreased by \$622,000; \$503,000 was in personnel services. The function is underbudget overall, but \$96,000 of the variance is for unused training dollars. These dollars are provided by a portion of the jail booking fees.

Public works budgets were increased in anticipation of some large drainage projects, but these projects were not completed at year end. Health and Welfare expenditures are overbudget due to unanticipated accruals for substance abuse. Last, under Other governmental functions, as mentioned previously, the \$553,000 budgeted for contingencies was not used, and budget was adjusted for that as well.

## **Capital Asset and Debt Administration**

**Capital assets.** The County's (primary government) investment in capital assets as of December 31, 2007, amounted to \$107,069,894 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings and improvements, machinery and equipment, and park facilities. The total increase in the County's investment in capital assets for the current fiscal year is 6.9%.

Major capital asset events during the current fiscal year included the following:

- Over \$1.32 million was spent on various land acquisitions for the Park system. The County has a dedicated millage for park land acquisition and development. The county also spent \$1.06 million on various park improvement projects.

- Construction on the Grand Haven Courthouse and West Olive Administrative Annex are well underway. \$5.2 million was spent during 2007 for these projects. The West Olive addition is scheduled for completion in 2008, and the Grand Haven Courthouse is scheduled for completion in 2009.

**County of Ottawa's Capital Assets**  
(net of depreciation)

	2007
Land	\$38,061,402
Land improvements	8,544,376
Buildings and improvements	49,062,161
Construction in progress	5,331,952
Machinery and equipment	6,070,003
	<u>\$107,069,894</u>

Additional information on the County's capital assets can be found in note III.D on pages 63-65 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total general obligation bonds outstanding of \$133,269,736. Of this amount, \$131,383,236 of the bonds are backed by the County's full faith and credit.

**County of Ottawa's Outstanding Debt**  
General Obligation Bonds

	Primary Government	Component Units	Total
General obligation bonds	\$18,090,000	\$30,431,500	\$48,521,500
General obligation bonds - Refunding	11,590,000	73,158,236	84,748,236
<b>Total</b>	<b>\$29,680,000</b>	<b>\$103,589,736</b>	<b>\$133,269,736</b>

The County's total general obligation bonded debt increased by \$41.3 million (44.8 percent) during the current fiscal year. The primary government issued \$10,000,000 for the construction of buildings, and component units issued \$40,466,203. Most of the amount issued by the component units was for the expansion of the Wyoming Water Treatment plant (\$38 million). Debt from prior issues was reduced by \$9.2 million as planned.

In addition, the County has one land contract for which it has pledged its full faith and credit. The balance on the land contracts decreased by \$28,840, and no new land contracts were issued.

The Ottawa County Drain Commissioner has various notes payable for which the benefiting drainage district has pledged its full faith and credit. An additional \$200,000 was issued for the Rush Creek drainage project, but the existing notes payable balance decreased by \$7,600.

The County has a “AAA” rating from Fitch on general obligation limited tax bonds. Moody’s bond rating is “Aa1” for general obligation unlimited and limited tax bonds. Standard and Poor’s bond rating is “AA” for general obligation unlimited and limited tax bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current (2007) debt limitation for the County is \$1,171,979,389, which is significantly in excess of the County’s outstanding general obligation debt.

Additional information on the County’s long-term debt can be found in note III.G on pages 71-74 of this report.

### **Economic Factors and Next Year’s Budgets and Rates**

The following factors were considered in preparing the County’s budget for the 2008 fiscal year:

- The County’s tax base continues to grow despite the economic difficulties of the State. Specifically, the County’s taxable value grew by 6.19 percent in 2007 which translates to an additional \$2.4 million in tax revenue. The County’s operating levy is 3.6 mills which is the same rate as last year. More impressive, the County’s millage rate is one of the lowest county millages in the State of Michigan. In fact, the County does not levy its maximum authorized levy to alleviate taxpayer burden. The County still has a cushion of .665 mills which provides an additional \$6.4 million the County may access with a vote of the Board of Commissioners.
- The unemployment rate for the County was 5.6 percent for 2007, which is a slight increase from 5.3 percent in 2006, but lower than the 2003 rate of 5.9 percent. The County’s unemployment is much lower than the State’s average unemployment rate of 7.2 percent.
- Inflationary trends in the region compare favorably to national indices.

Highlights of the 2008 budget are as follows:

- Reduction in the tax levy of 16% over the maximum allowable levy
- Includes no new, locally funded permanent positions as part of our 5 year deficit reduction plan
- Includes \$2.2 million in new equipment
- Includes contingency of \$566,000
- No one time transfers from other funds were used to balance the budget
- The budget reflects a small fund balance use. However, based on historical results, no fund balance use is expected.
- The County continues to meet its financial goal of maintaining a General Fund undesignated fund balance that is at least 10% of the prior year’s audited expenditures. Currently, fund balance is kept at the maximum of the County adopted policy of 15%.

**Requests for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Fiscal Services Director, 12220 Fillmore Street, Room 331, West Olive, Michigan, 49460.

**County of Ottawa  
Statement of Net Assets  
December 31, 2007**

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Ottawa County Road Commission	Ottawa County Central Dispatch Authority	Ottawa County Public Utilities System	Ottawa County Office of the Drain Commissioner
<b><u>ASSETS</u></b>							
Current assets:							
Cash and pooled investments	\$103,777,170	\$15,445,943	\$119,223,113	\$4,747,223	\$8,094,404	\$8,911,310	\$1,312,733
Investments	19,190,212		19,190,212			17,535,946	
Receivables (net of allowance for estimated uncollectibles):							
Taxes	7,450,149	7,009,077	14,459,226				
Accrued interest and penalties on delinquent taxes		867,903	867,903				
Accounts	1,213,521	2,020	1,215,541	259,591		2,342,942	
Accrued interest on investments	989,030		989,030	2,452			
Internal balances	(831,568)	999,816	168,248				
Advances to component units	325,000		325,000				
Due from other governmental units	6,180,468		6,180,468	4,653,359	140,903	78,419,283	848,139
Due from primary government					31,581		
Due from component units		81,180	81,180				19,524
Inventory of supplies	484,230		484,230	843,012			
Prepaid expenses	1,547,822		1,547,822	390,510	98,145		
Total current assets	<u>140,326,034</u>	<u>24,405,939</u>	<u>164,731,973</u>	<u>10,896,147</u>	<u>8,365,033</u>	<u>107,209,481</u>	<u>2,180,396</u>
Noncurrent assets:							
Net pension asset	1,915,554		1,915,554				
Loans receivable from other governments	1,438,524		1,438,524				
Unamortized bond issuance and deferred refunding costs	1,012,259		1,012,259			10,873	
Capital assets not being depreciated	43,393,354		43,393,354	1,367,182	64,807		
Capital assets being depreciated, net	63,676,540	3,037	63,679,577	154,663,100	1,650,465		22,561,825
Total noncurrent assets	<u>111,436,231</u>	<u>3,037</u>	<u>111,439,268</u>	<u>156,030,282</u>	<u>1,715,272</u>	<u>10,873</u>	<u>22,561,825</u>
Total assets	<u>251,762,265</u>	<u>24,408,976</u>	<u>276,171,241</u>	<u>166,926,429</u>	<u>10,080,305</u>	<u>107,220,354</u>	<u>24,742,221</u>
<b><u>LIABILITIES</u></b>							
Current liabilities							
Accounts payable	15,381,702		15,381,702	2,162,444	210,688	3,412,773	89,612
Interest payable	219,331		219,331			1,466,218	8,243
Due to primary government						81,180	
Due to component units	31,581		31,581	19,524		70,788	
Due to other governmental units	908,426	2,356	910,782		13,458		
Current portion of long-term debt	6,737,544		6,737,544	1,432,342		7,552,000	138,367
Advances from primary government						150,000	175,000
Advances from other governmental units	253,587		253,587	623,237			
Unearned revenue	8,405,653		8,405,653			32,124	
Total current liabilities	<u>31,937,824</u>	<u>2,356</u>	<u>31,940,180</u>	<u>4,237,547</u>	<u>224,146</u>	<u>12,765,083</u>	<u>411,222</u>
Noncurrent liabilities:							
Unamortized bond premiums	660,125		660,125				
Noncurrent portion of long-term obligations	29,843,026		29,843,026	2,124,308		93,911,236	441,333
Total noncurrent liabilities	<u>30,503,151</u>		<u>30,503,151</u>	<u>2,124,308</u>		<u>93,911,236</u>	<u>441,333</u>
Total liabilities	<u>62,440,975</u>	<u>2,356</u>	<u>62,443,331</u>	<u>6,361,855</u>	<u>224,146</u>	<u>106,676,319</u>	<u>852,555</u>
<b><u>NET ASSETS</u></b>							
Invested in capital assets, net of related debt	81,991,023	3,037	81,994,060	153,320,252	1,715,272		21,982,125
Restricted for:							592,433
Debt Service						10,873	
Capital projects	14,679,498		14,679,498	4,369,991			
Operations	23,831,208		23,831,208			530,669	
Unrestricted	68,819,561	24,403,583	93,223,144	2,874,331	8,140,887	2,493	1,315,108
Total net assets	<u>\$189,321,290</u>	<u>\$24,406,620</u>	<u>\$213,727,910</u>	<u>\$160,564,574</u>	<u>\$9,856,159</u>	<u>\$544,035</u>	<u>\$23,889,666</u>

The accompanying notes are an integral part of the financial statements.

**County of Ottawa  
Statement of Activities  
For the Year Ended December 31, 2007**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>						
Governmental activities:						
Legislative	\$624,611	\$3,014				(\$627,625)
Judicial	11,739,677	1,577,353	\$3,737,197	\$2,855,834		(6,723,999)
General government	21,923,847	(8,521,902)	7,937,129	2,275,284	\$622,867	(2,566,665)
Public safety	23,662,341	1,563,949	5,047,927	1,625,047		(18,553,316)
Public works	1,247,852	17,031	403,922	157,569		(703,392)
Health and welfare	54,235,451	2,925,017	2,575,152	44,602,389		(9,982,927)
Community and economic development	599,419	2,339	10,605			(591,153)
Culture and recreation	1,865,613	3,205	560,488		891,017	(417,313)
Interest on long-term debt	1,018,189		2,769,438			1,751,249
Total governmental activities	<u>116,917,000</u>	<u>(2,429,994)</u>	<u>23,041,858</u>	<u>51,516,123</u>	<u>1,513,884</u>	<u>(38,415,141)</u>
Business-type activities:						
Delinquent tax collection	<u>157,188</u>	<u>2,384,362</u>	<u>1,711,915</u>			<u>(829,635)</u>
Total primary government	<u><u>\$117,074,188</u></u>	<u><u>(\$45,632)</u></u>	<u><u>\$24,753,773</u></u>	<u><u>\$51,516,123</u></u>	<u><u>\$1,513,884</u></u>	<u><u>(\$39,244,776)</u></u>
<b>Component units</b>						
Ottawa County Road Commission	\$21,249,020		\$8,299,444	\$16,226,778	\$6,004,379	\$9,281,581
Ottawa County Central						
Dispatch Authority	3,577,953		1,071	4,306,353		729,471
Ottawa County Public Utilities	18,900,087		17,407,487			(1,492,600)
Ottawa County Office of the Drain Commissioner	<u>1,414,787</u>				<u>2,655,386</u>	<u>1,240,599</u>
Total component units	<u><u>\$45,141,847</u></u>		<u><u>\$25,708,002</u></u>	<u><u>\$20,533,131</u></u>	<u><u>\$8,659,765</u></u>	<u><u>\$9,759,051</u></u>

*(Continued on next page)*

**County of Ottawa  
Statement of Activities (Concluded)  
For the Year Ended December 31, 2007**

	Primary Government			Component Units			
	Governmental Activities	Business- type Activities	Total	Ottawa County Road Commission	Ottawa County Central Dispatch Authority	Ottawa County Public Utilities	Ottawa County Office of the Drain Commissioner
<b>Primary Government:</b>							
Changes in net assets:							
Net (expense) revenue	(\$38,415,141)	(\$829,635)	(\$39,244,776)	\$9,281,581	\$729,471	(\$1,492,600)	\$1,240,599
General Revenues:							
Property taxes, levied for general purposes	34,832,220		34,832,220				
Property taxes, levied for park development	2,887,799		2,887,799				
Property taxes, levied for debt service	4,020,342		4,020,342				
Grants and contributions not restricted to specific programs	21,545		21,545				
Investment earnings	6,740,703	999,816	7,740,519	165,398	392,986	48,702	87,985
Miscellaneous	524,250		524,250	505,541		72,739	
Transfers - internal activities	24,224		24,224				
Total general revenues and transfers	49,051,083	999,816	50,050,899	670,939	392,986	121,441	87,985
Change in net assets	10,635,942	170,181	10,806,123	9,952,520	1,122,457	(1,371,159)	1,328,584
Net assets - beginning of year, as restated	178,685,348	24,236,439	202,921,787	150,612,054	8,733,702	1,915,194	22,561,082
Net assets - end of year	\$189,321,290	\$24,406,620	\$213,727,910	\$160,564,574	\$9,856,159	\$544,035	\$23,889,666

The accompanying notes are an integral part of the financial statements.

(Concluded)

**County of Ottawa  
Balance Sheet  
Governmental Funds  
December 31, 2007  
(with comparative totals for December 31, 2006)**

	General	Parks and Recreation	Health	Mental Health	Public Improvement	Revenue Sharing Reserve	Other Governmental Funds	Total Governmental Funds	
								2007	2006
<b><u>ASSETS</u></b>									
Cash and pooled investments	\$25,279,721	\$6,194,627	\$2,368,000	\$1,777,429	\$6,467,019	\$13,024,177	\$30,734,593	\$85,845,566	\$68,936,264
Investments					196,664		5,770	202,434	293,816
Receivables (net of allowance for estimated uncollectibles):									
Taxes	4,487,702	2,962,447						7,450,149	16,299,003
Accounts	254,265	6,748	180,322	457,814			1,701,173	2,600,322	3,431,746
Accrued interest on investments	833,119							833,119	816,282
Due from other funds		463,134		58,887	346,122	640,042	736,702	2,244,887	1,349,326
Interfund receivable	883,462							883,462	1,142,648
Advances to component units	325,000							325,000	325,000
Due from other governmental units	1,720,851	724,517	307,571	116,632			3,310,897	6,180,468	5,094,054
Inventory of supplies	15,526		364,996	35,067			27,265	442,854	270,639
Prepaid expenditures	49,778	608,420	20,610	489,982			4,498	1,173,288	345,863
Total assets	\$33,849,424	\$10,959,893	\$3,241,499	\$2,935,811	\$7,009,805	\$13,664,219	\$36,520,898	\$108,181,549	\$98,304,641
<b><u>LIABILITIES AND FUND BALANCES</u></b>									
Liabilities:									
Accounts payable	\$1,827,133	\$217,572	\$299,020	\$2,138,310	\$1,136		\$2,769,194	\$7,252,365	\$5,913,657
Due to other governmental units			744,786	133,574			1,747	880,107	296,072
Due to other funds	4,013,220							4,013,220	2,712,842
Due to component units	31,581							31,581	
Interfund payable							817,132	817,132	1,002,818
Advances from other governmental units	84,437						169,150	253,587	319,099
Deferred revenue	5,746,575	3,071,492	90,736	274,769			132,700	9,316,272	9,098,687
Total liabilities	11,702,946	3,289,064	1,134,542	2,546,653	1,136		3,889,923	22,564,264	19,343,175
Fund balances:									
Reserved - General	2,383,291							2,383,291	2,359,739
Reserved - Special Revenue			364,996	35,067	7,008,669	\$13,664,219	1,465,789	22,538,740	24,698,463
Reserved - Debt Service									
Reserved - Permanent							5,770	5,770	5,770
Unreserved:									
Designated - General	9,185,047							9,185,047	7,295,848
Designated - Special Revenue		580					3,239,354	3,239,934	3,974,218
Designated - Capital Projects									253,715
Undesignated - General	10,578,140							10,578,140	10,208,039
Undesignated - Special Revenue		7,670,249	1,741,961	354,091			23,142,013	32,908,314	30,155,293
Undesignated - Debt Service							10,801	10,801	10,381
Undesignated - Capital Projects							4,766,982	4,766,982	
Undesignated - Permanent Fund							266	266	
Total fund balances	22,146,478	7,670,829	2,106,957	389,158	7,008,669	13,664,219	32,630,975	85,617,285	78,961,466
Total liabilities and fund balances	\$33,849,424	\$10,959,893	\$3,241,499	\$2,935,811	\$7,009,805	\$13,664,219	\$36,520,898	\$108,181,549	\$98,304,641

The accompanying notes are an integral part of the financial statements.

**County of Ottawa**  
**Reconciliation of Fund Balances on the Balance Sheet**  
**for Governmental Funds to Net Assets**  
**of Governmental Activities on the Statement of Net Assets**  
**December 31, 2007**

Fund balances - total governmental funds	\$85,617,285
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.

Add: capital assets used in the operation of governmental funds	133,973,698
Subtract: accumulated depreciation	(30,298,120)

The net pension asset, a long term asset, is not recorded in the funds.	1,915,554
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds on a cost reimbursement basis. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.

Add: net assets of governmental activities accounted for in internal service funds	33,348,990
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Certain revenue that was earned and accrued in the current period but not received after 60 days is not recognized in the fund statement but recognized under full accrual.	1,105,411
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Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Subtract: bonds payable	(29,680,000)
Subtract: landfill reclamation	(3,899,702)
Subtract: land contracts	(28,840)
Subtract: compensated absences	(2,865,789)
Subtract: accrued interest payable	(219,331)

Amortization of bond issue costs and premiums are not recorded in the governmental funds, but are netted against long term liabilities on the Statement of Net Assets

Subtract: unamortized bond premium	(660,125)
Add: unamortized bond issuance costs	1,012,259

Net assets of governmental activities	\$189,321,290
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*The accompanying notes are an integral part of the financial statements.*

**County of Ottawa**  
**Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended December 31, 2007**  
**(with comparative totals for the year ended December 31, 2006)**

	General	Parks and Recreation	Health	Mental Health	Public Improvement	Revenue Sharing Reserve	Other Governmental Funds	Total Governmental Funds 2007	2006
<b>Revenues</b>									
Taxes	\$38,840,291	\$2,887,799					\$12,271	\$41,740,361	\$49,182,314
Intergovernmental revenues	4,793,385	697,785	\$4,349,298	\$29,886,034			16,470,572	56,197,074	50,708,309
Charges for services	6,832,311	515,619	791,491	444,217			1,183,443	9,767,081	9,646,695
Fines and forfeits	1,012,626						6,500	1,019,126	1,054,192
Interest on investments	1,987,811	463,134		58,887	\$346,122	\$640,041	866,280	4,362,275	3,184,509
Licenses and permits	261,763		362,473					624,236	674,810
Rental income	2,610,933	39,588		143,960	879,031		2,769,438	6,442,950	5,998,857
Other	339,433	198,504	213,200	303,651			709,250	1,764,038	1,832,591
Total revenue	56,678,553	4,802,429	5,716,462	30,836,749	1,225,153	640,041	22,017,754	121,917,141	122,282,277
<b>Expenditures</b>									
Current expenditures:									
Legislative	625,263							625,263	524,438
Judicial	9,354,626						4,221,589	13,576,215	12,723,585
General government	11,277,029				131,151		513,061	11,921,241	12,813,286
Public safety	22,179,907						4,265,219	26,445,126	24,634,567
Public works	219,386						983,168	1,202,554	825,687
Health and welfare	706,799		11,209,448	31,302,131			14,983,421	58,201,799	55,231,261
Community and economic development	573,309						27,261	600,570	605,318
Culture and recreation		4,430,735						4,430,735	3,591,522
Other governmental functions	147,251							147,251	163,642
Debt service							2,769,438	2,769,438	2,453,395
Capital projects							5,473,205	5,473,205	2,251,029
Total expenditures	45,083,570	4,430,735	11,209,448	31,302,131	131,151		33,236,362	125,393,397	115,817,730
Revenues over (under) expenditures	11,594,983	371,694	(5,492,986)	(465,382)	1,094,002	640,041	(11,218,608)	(3,476,256)	6,464,547
<b>Other financing sources (uses)</b>									
Transfers from other funds	4,425,399	530,000	5,926,606	476,500	173,994		6,864,370	18,396,869	17,593,905
Transfers to other funds	(13,737,530)				(325)	(4,396,399)	(209,391)	(18,343,645)	(18,030,738)
Issuance of bonds							10,000,000	10,000,000	
Premium on bonds issued							78,851	78,851	
Total other financing sources (uses)	(9,312,131)	530,000	5,926,606	476,500	173,669	(4,396,399)	16,733,830	10,132,075	(436,833)
Net change in fund balances	2,282,852	901,694	433,620	11,118	1,267,671	(3,756,358)	5,515,222	6,655,819	6,027,714
Fund balance, beginning of year, as restated	19,863,626	6,769,135	1,673,337	378,040	5,740,998	17,420,577	27,115,753	78,961,466	72,933,752
Fund balance, end of year	\$22,146,478	\$7,670,829	\$2,106,957	\$389,158	\$7,008,669	\$13,664,219	\$32,630,975	\$85,617,285	\$78,961,466

**County of Ottawa**  
**Reconciliation of the Statement of Revenue, Expenditures**  
**and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2007**

Net change in fund balances - total governmental funds \$6,655,819

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add: capital outlay	8,856,079
Subtract: depreciation expense	(2,347,089)
Subtract: net book value of disposed capital assets	

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Subtract: bond proceeds	(10,000,000)
Subtract: premium on bonds	(78,851)
Add: bond issue costs	119,575
Add: principal payments on long term liabilities	1,902,392
Subtract: increase in landfill reclamation liability	(334,762)
Add: decrease in compensated absences liability	128,529

Accrued interest expense on bonds and the amortization of bond issuance costs, premiums, and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for purposes net assets.

Subtract: increase in accrued interest payable	(56,636)
Subtract: amortization of bond issue costs and deferred refunding loss	(76,964)
Add: amortization of premiums on bonds	54,849

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements, but rather are deferred to the following fiscal year

Add: net change in Health department revenues	36,288
Add: unearned training grant revenue	41,882
Add: net change in Survey and Remonumentation expedited program	102,109

Changes in the net pension asset are not recorded in the fund statements

Subtract: decrease in the net pension asset	(49,683)
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Donated capital asset is not recorded as revenue on the fund statements. 622,876

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.

Add: net increase in net assets from the governmental activities accounted for in internal service funds	5,059,529
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Change in net assets of governmental activities	\$10,635,942
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**COUNTY OF OTTAWA**

**GENERAL FUND (1010) - STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007

(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Taxes	\$38,478,211	\$38,960,227	\$38,840,291	(\$119,936)	\$37,095,829
Intergovernmental revenues	4,947,755	4,913,789	4,793,385	(120,404)	4,637,820
Charges for services	6,256,673	6,824,762	6,832,311	7,549	6,650,680
Fines and forfeits	1,098,100	1,039,100	1,012,626	(26,474)	1,047,692
Interest on investments	1,600,000	1,850,000	1,987,811	137,811	1,717,019
Licenses and permits	298,825	298,825	261,763	(37,062)	289,351
Rental income	2,802,863	2,766,491	2,610,933	(155,558)	2,511,754
Other	292,293	343,698	339,433	(4,265)	362,827
Total revenues	<u>55,774,720</u>	<u>56,996,892</u>	<u>56,678,553</u>	<u>(318,339)</u>	<u>54,312,972</u>
<b>Expenditures:</b>					
Current operations:					
Legislative	632,595	651,028	625,263	25,765	524,438
Judicial	9,248,794	9,504,829	9,354,626	150,203	8,754,182
General government	12,299,151	11,717,983	11,277,029	440,954	11,367,177
Public safety	23,016,289	22,394,406	22,179,907	214,499	20,869,732
Public works	201,750	382,953	219,386	163,567	59,187
Health and welfare	641,254	634,298	706,799	(72,501)	602,634
Community and economic development	634,476	605,797	573,309	32,488	566,182
Other governmental functions	827,336	147,251	147,251		163,642
Total expenditures	<u>47,501,645</u>	<u>46,038,545</u>	<u>45,083,570</u>	<u>954,975</u>	<u>42,907,174</u>
Revenues over expenditures	<u>8,273,075</u>	<u>10,958,347</u>	<u>11,594,983</u>	<u>636,636</u>	<u>11,405,798</u>
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds	4,362,495	4,425,399	4,425,399		4,239,536
Transfers to other funds	(13,560,616)	(13,450,412)	(13,737,530)	(287,118)	(13,667,299)
Total other financing sources (uses)	<u>(9,198,121)</u>	<u>(9,025,013)</u>	<u>(9,312,131)</u>	<u>(287,118)</u>	<u>(9,427,763)</u>
Net change in fund balance	(925,046)	1,933,334	2,282,852	349,518	1,978,035
Fund balance, beginning of year	<u>19,863,626</u>	<u>19,863,626</u>	<u>19,863,626</u>		<u>17,885,591</u>
Fund balance, end of year	<u>\$18,938,580</u>	<u>\$21,796,960</u>	<u>\$22,146,478</u>	<u>\$349,518</u>	<u>\$19,863,626</u>

*The accompanying notes are an integral part of the financial statements.*

**COUNTY OF OTTAWA**

**PARKS AND RECREATION SPECIAL REVENUE FUND (2081) -  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Taxes	\$2,882,651	\$2,884,901	\$2,887,799	\$2,898	\$2,720,185
Intergovernmental revenues	598,370	392,370	697,785	305,415	210,522
Charges for services	252,400	519,157	515,619	(3,538)	251,008
Interest on investments	180,000	180,000	463,134	283,134	285,583
Rental income	38,500	39,300	39,588	288	21,584
Other	201,000	206,156	198,504	(7,652)	506,806
Total revenues	4,152,921	4,221,884	4,802,429	580,545	3,995,688
<b>Expenditures:</b>					
Current operations:					
Personnel services	1,201,887	1,200,433	1,164,382	36,051	1,058,957
Supplies	156,906	154,706	151,555	3,151	154,747
Other services and charges	432,529	510,862	426,240	84,622	346,619
Debt service	81,510	81,510	81,508	2	81,508
Capital outlay	2,843,000	3,317,292	2,607,050	710,242	1,949,691
Total expenditures	4,715,832	5,264,803	4,430,735	834,068	3,591,522
Revenues over (under) expenditures	(562,911)	(1,042,919)	371,694	1,414,613	404,166
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	530,000	530,000	530,000		530,000
Total other financing sources (uses)	530,000	530,000	530,000		530,000
Net change in fund balance	(32,911)	(512,919)	901,694	1,414,613	934,166
Fund balance, beginning of year	6,769,135	6,769,135	6,769,135		5,834,969
Fund balance, end of year	<u>\$6,736,224</u>	<u>\$6,256,216</u>	<u>\$7,670,829</u>	<u>\$1,414,613</u>	<u>\$6,769,135</u>

*The accompanying notes are an integral part of the financial statements.*

**COUNTY OF OTTAWA**  
**HEALTH SPECIAL REVENUE FUND (2210) -**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$2,848,212	\$4,359,404	\$4,349,298	(\$10,106)	\$3,247,492
Charges for services	837,573	804,188	791,491	(12,697)	833,085
Licenses and permits	457,785	362,473	362,473		385,459
Rental income					
Other	180,394	222,699	213,200	(9,499)	181,924
Total revenues	4,323,964	5,748,764	5,716,462	(32,302)	4,647,960
<b>Expenditures:</b>					
Current operations:					
Personnel services	6,754,636	6,499,940	6,374,861	125,079	6,012,192
Supplies	733,494	1,893,042	1,861,913	31,129	1,313,319
Other services and charges	2,855,255	3,076,845	2,972,674	104,171	2,788,215
Capital outlay					119,118
Total expenditures	10,343,385	11,469,827	11,209,448	260,379	10,232,844
Revenues over (under) expenditures	(6,019,421)	(5,721,063)	(5,492,986)	228,077	(5,584,884)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	5,919,421	5,926,607	5,926,606	(1)	5,646,605
Total other financing sources (uses)	5,919,421	5,926,607	5,926,606	(1)	5,646,605
Net change in fund balance	(100,000)	205,544	433,620	228,076	61,721
Fund balance, beginning of year	1,673,337	1,673,337	1,673,337		1,611,616
Fund balance, end of year	<u>\$1,573,337</u>	<u>\$1,878,881</u>	<u>\$2,106,957</u>	<u>\$228,076</u>	<u>\$1,673,337</u>

*The accompanying notes are an integral part of the financial statements.*

**COUNTY OF OTTAWA**

**MENTAL HEALTH SPECIAL REVENUE FUND (2220) -  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$30,077,377	\$30,632,776	\$29,886,034	(\$746,742)	\$27,289,188
Charges for services	290,200	506,715	444,217	(62,498)	547,468
Interest on investments	54,584	54,584	58,887	4,303	45,933
Rental income	157,398	157,398	143,960	(13,438)	147,593
Other	81,930	98,102	303,651	205,549	72,864
Total revenues	30,661,489	31,449,575	30,836,749	(612,826)	28,103,046
<b>Expenditures:</b>					
Current operations:					
Personnel services	11,468,320	11,549,707	11,485,205	64,502	11,049,665
Supplies	414,085	658,885	607,186	51,699	529,232
Other services and charges	19,314,829	19,666,247	19,223,740	442,507	18,162,176
Capital outlay			(14,000)	14,000	
Total expenditures	31,197,234	31,874,839	31,302,131	572,708	29,741,073
Revenues over (under) expenditures	(535,745)	(425,264)	(465,382)	(40,118)	(1,638,027)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	476,500	476,500	476,500		476,500
Total other financing sources (uses)	476,500	476,500	476,500		476,500
Net change in fund balance	(59,245)	51,236	11,118	(40,118)	(1,161,527)
Fund balance, beginning of year, as restated	378,040	378,040	378,040		1,539,567
Fund balance, end of year	<u>\$318,795</u>	<u>\$429,276</u>	<u>\$389,158</u>	<u>(\$40,118)</u>	<u>\$378,040</u>

*The accompanying notes are an integral part of the financial statements.*

# COUNTY OF OTTAWA

## PUBLIC IMPROVEMENT SPECIAL REVENUE FUND (2450) - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Charges for services					
Interest on investments	\$131,823	\$131,823	\$346,122	\$214,299	\$231,670
Rental income	886,639	886,639	879,031	(7,608)	878,423
Other					
Total revenues	1,018,462	1,018,462	1,225,153	206,691	1,110,093
<b>Expenditures:</b>					
Current operations:					
Supplies					400,612
Other services and charges	55,270	6,970	5,515	1,455	5,887
Capital outlay		132,673	125,636	7,037	70,510
Total expenditures	55,270	139,643	131,151	8,492	477,009
Revenues over (under) expenditures	963,192	878,819	1,094,002	215,183	633,084
<b>Other financing sources (uses):</b>					
Transfers in (out):					
Ottawa County Building Authority - Debt Service Fund		(325)	(325)		
Ottawa County Building Authority - Capital Projects Fund			173,994	173,994	(68,161)
Total other financing sources (uses)		(325)	173,669	173,994	(68,161)
Net change in fund balance	963,192	878,494	1,267,671	389,177	564,923
Fund balance, beginning of year	5,740,998	5,740,998	5,740,998		5,176,075
Fund balance, end of year	<u>\$6,704,190</u>	<u>\$6,619,492</u>	<u>\$7,008,669</u>	<u>\$389,177</u>	<u>\$5,740,998</u>

The accompanying notes are an integral part of the financial statements.

**COUNTY OF OTTAWA**

**REVENUE SHARING RESERVE SPECIAL REVENUE FUND (2855) -  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Taxes					\$9,354,173
Interest on investments	\$225,000	\$445,000	\$640,041	\$195,041	232,547
Total revenues	225,000	445,000	640,041	195,041	9,586,720
<b>Expenditures:</b>					
Current operations:					
Total expenditures					
Revenues over (under) expenditures	225,000	445,000	640,041	195,041	9,586,720
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	(4,362,495)	(4,396,399)	(4,396,399)		(4,239,536)
Total other financing sources (uses)	(4,362,495)	(4,396,399)	(4,396,399)		(4,239,536)
Net change in fund balance	(4,137,495)	(3,951,399)	(3,756,358)	195,041	5,347,184
Fund balance, beginning of year	17,420,577	17,420,577	17,420,577		12,073,393
Fund balance, end of year	<u>\$13,283,082</u>	<u>\$13,469,178</u>	<u>\$13,664,219</u>	<u>\$195,041</u>	<u>\$17,420,577</u>

*The accompanying notes are an integral part of the financial statements.*

**County of Ottawa**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2007**

	<b>Business-type Activities- Enterprise Funds Delinquent Tax Revolving Fund</b>	<b>Governmental Activities- Internal Service Funds</b>
<b><u>ASSETS</u></b>		
Current assets:		
Cash and pooled investments	\$15,445,943	\$17,931,604
Investments		18,987,778
Receivables:		
Delinquent taxes receivable	7,009,077	
Accrued interest and penalties on delinquent taxes	867,903	
Accounts	2,020	51,723
Accrued interest on investments		155,911
Due from other funds	999,816	4,878,508
Due from component units	81,180	
Inventory of supplies		41,376
Prepaid expenses		374,534
Total current assets	<u>24,405,939</u>	<u>42,421,434</u>
Noncurrent assets:		
Capital assets:		
Office furniture and equipment	58,443	4,203,793
Copy machines		121,358
Telephone equipment		2,462,910
Vehicles		3,825,623
Less accumulated depreciation	<u>(55,406)</u>	<u>(7,219,368)</u>
Net capital assets	<u>3,037</u>	<u>3,394,316</u>
Total assets	<u>24,408,976</u>	<u>45,815,750</u>
<b><u>LIABILITIES</u></b>		
Current liabilities:		
Accounts payable		8,129,337
Interfund payable		66,330
Due to other funds		3,941,743
Due to other governmental units	2,356	28,319
Capital Lease		106,239
Unearned revenue		194,792
Total current liabilities	<u>2,356</u>	<u>12,466,760</u>
<b><u>NET ASSETS</u></b>		
Investment in capital assets	3,037	3,394,316
Restricted for managed care risk exposure		1,928,884
Unrestricted	<u>24,403,583</u>	<u>28,025,790</u>
Total net assets	<u><u>\$24,406,620</u></u>	<u><u>\$33,348,990</u></u>

*The accompanying notes are an integral part of the financial statements.*

**County of Ottawa**  
**Statement of Revenue, Expenses and**  
**Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2007**

	<b>Business-type Activities- Enterprise Funds Delinquent Tax Revolving Fund</b>	<b>Governmental Activities- Internal Service Funds</b>
Operating revenues:		
Charges for services	\$192,211	\$18,656,232
Penalties and interest in delinquent taxes	1,519,704	
Other revenue		33,533
Total operating revenues	<u>1,711,915</u>	<u>18,689,765</u>
Operating expenses:		
Personnel services		2,073,604
Contractual services	59,969	2,361,689
Supplies	18,658	128,838
Depreciation	1,012	1,233,377
Building and equipment rental	2,461,911	63,057
Claims and legal		9,704,693
Miscellaneous		381,774
Total operating expenses	<u>2,541,550</u>	<u>15,947,032</u>
Operating income (loss)	<u>(829,635)</u>	<u>2,742,733</u>
Nonoperating revenues (expenses):		
Interest on investments	999,816	1,569,030
Net change in the fair value of investments		809,398
Gain (loss) on retirement of capital assets		(32,632)
Total nonoperating revenues	<u>999,816</u>	<u>2,345,796</u>
Income before transfers	<u>170,181</u>	<u>5,088,529</u>
Transfers in (out):		
General fund		(29,000)
Total transfers		<u>(29,000)</u>
Change in net assets	170,181	5,059,529
Total net assets, beginning of year	24,236,439	28,289,461
Total net assets, end of year	<u><u>\$24,406,620</u></u>	<u><u>\$33,348,990</u></u>

*The accompanying notes are an integral part of the financial statements.*

**County of Ottawa  
Statement of Cash Flows  
Proprietary Funds**

For the Year Ended December 31, 2007

	Business-type Activities- <u>Enterprise Funds</u> <u>Delinquent Tax</u> <u>Revolving Fund</u>	<u>Governmental</u> <u>Activities</u> <u>Internal</u> <u>Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from interfund services provided		\$18,888,028
Cash receipts from customers	\$10,566,012	
Cash received from penalties and interest on delinquent taxes	1,264,934	
Cash payments to suppliers for goods and services	(2,540,534)	(2,646,822)
Cash payments for self-funded insurance claims		(11,566,173)
Cash payments to employees for services		(2,073,604)
Purchase of delinquent tax rolls	<u>(11,423,731)</u>	
Net cash provided by (used for) operating activities	<u>(2,133,319)</u>	<u>2,601,429</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Transfers out to other funds		<u>(102,500)</u>
Net cash used for noncapital financing activities		<u>(102,500)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition of capital assets		<u>(1,035,505)</u>
Net cash used for capital and related financing activities		<u>(1,035,505)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments		(25,257,856)
Interest on investments	844,786	976,554
Proceeds on sale of investments		<u>24,695,603</u>
Net cash provided by investing activities	<u>844,786</u>	<u>414,301</u>
Net increase (decrease) in cash and pooled investments	(1,288,533)	1,877,725
Cash and pooled investments, beginning of year	<u>16,734,476</u>	<u>16,053,879</u>
Cash and pooled investments, end of year	<u><u>\$15,445,943</u></u>	<u><u>\$17,931,604</u></u>

*The accompanying notes are an integral part of the financial statements.*

*(Continued on next page)*

**County of Ottawa**  
**Statement of Cash Flows**  
**Proprietary Funds**

For the Year Ended December 31, 2007

	Business-type Activities- <u>Enterprise Funds</u> <u>Delinquent Tax</u> <u>Revolving Fund</u>	<u>Governmental</u> <u>Activities</u> <u>Internal</u> <u>Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	(\$829,635)	\$2,742,733
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	1,012	1,233,377
Change in assets and liabilities not affecting cash provided by (used for) operating activities:		
(Increase) decrease in receivables	(1,305,325)	(11,610)
(Increase) decrease in due from other funds		
(Increase) decrease in advances to other funds		(52,068)
(Increase) decrease in inventory		(5,518)
(Increase) decrease in prepaid expenses		(156,126)
Increase (decrease) in unpaid claims liability		(1,703,277)
Increase (decrease) in unearned revenue		(45,833)
Increase (decrease) in accounts payable	(40)	334,702
Increase (decrease) in due to other funds		265,049
Increase (decrease) in due to other governmental units	669	
Net cash provided by (used for) operating activities	<u>(\$2,133,319)</u>	<u>\$2,601,429</u>
		<i>(Concluded)</i>

Noncash investing activities:

The change in fair value of investments for the internal service funds was \$809,398.

*The accompanying notes are an integral part of the financial statements.*

## COUNTY OF OTTAWA

### FIDUCIARY FUNDS

#### STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

December 31, 2007

(with comparative totals for December 31, 2006)

	Agency Funds	
	2007	2006
<b>ASSETS</b>		
Cash and pooled investments	\$2,908,572	\$4,305,788
Receivables:		
Accounts	41,003	177,406
Due from other governmental units	9,192	81,099
Total assets	<u>\$2,958,767</u>	<u>\$4,564,293</u>
<b>LIABILITIES</b>		
Liabilities:		
Due to other governmental units:		
Due to State of Michigan	\$904,675	\$2,514,277
Fines and fees due to local libraries	464,880	452,852
Agency deposits	1,589,212	1,597,164
Total liabilities	<u>\$2,958,767</u>	<u>\$4,564,293</u>

*The accompanying notes are an integral part of the financial statements.*

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Ottawa, Michigan (the "County") was incorporated in 1837 and covers an area of approximately 565 square miles with the County seat located in the City of Grand Haven. The County operates under an elected Board of Commissioners (11 members) and provides services to its estimated 259,206 residents in many areas including law enforcement, administration of justice, community enrichment and development and human services.

The financial statements of the County have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

#### A. Reporting entity

The accompanying financial statements present the County (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations, so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County.

#### Blended Component Units

**The Building Authority** is governed by a three-member board appointed by the Ottawa County Board of Commissioners. Its sole purpose is to finance and construct the County's public buildings. It is reported in the appropriate fund categories of Debt Service and Capital Projects and has a December 31 year-end. A separate report is not prepared for the Building Authority.

**The Ottawa County, Michigan Insurance Authority** is a separate legal entity organized for the purpose of providing insurance coverage and risk management and related services to public entities in the County of Ottawa, Michigan pursuant to State of Michigan Act No. 36 of the Public Acts of 1988. The governing board consists of one appointed and four elected officials of the County and one appointed official from each other participating public entity. The County and the Building Authority are currently the only participating entities. The Insurance Authority is reported in an internal service fund and has a December 31 year-end.

Complete financial statements for the Insurance Authority can be obtained from:

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### A. Reporting entity (continued)

Fiscal Services Director  
Ottawa County  
12220 Fillmore Street, Room 331  
West Olive, MI 49460

#### Discretely Presented Component Units

**The Ottawa County Road Commission** was established pursuant to the County Road Law (MCL 224.1). The governing board is appointed by the Ottawa County Board of Commissioners. The Road Commission deposits receipts with and has investments through the County. It may not issue debt or levy a tax without the approval of the County Board of Commissioners. If approval is granted, Road Commission taxes are levied under the taxing authority of the County, as approved by the County electors, and would be included as part of the County's total tax levy as well as reported in the Road Commission Fund. The Road Commission has a September 30 year-end.

**The Ottawa County Central Dispatch Authority** is governed by an eight-member board with two members appointed by the County's Board of Commissioners. It is financially accountable to the County as a result of fiscal dependency. It cannot levy taxes or issue bonded debt without approval of the County. It operates in facilities and with equipment financed through the Building Authority. Additional equipment and software has been financed through lease agreements. The services provided cover all County residents and the County levies a property tax of up to one-half mill to finance the operations of the Dispatch Authority. The Dispatch Authority has a December 31 year-end.

**The Ottawa County Public Utilities System's** governing board is appointed by the Ottawa County Board of Commissioners. The Public Utilities System deposits receipts with and invests through the County. It is fiscally dependent upon the County because the County Board must approve debt issuances of Public Act 342 bonds. The Ottawa County Public Utilities System has a December 31 year-end.

Complete financial statements for the Road Commission and the Public Utilities System can be obtained from:

Finance Director  
Ottawa County Road Commission  
P.O. Box 73940  
Grand Haven, MI 49417

## COUNTY OF OTTAWA, MICHIGAN

### Notes to the Financial Statements

For the Year Ended December 31, 2007

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#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### A. Reporting entity (continued)

Complete financial statements for the Dispatch Authority can be obtained from:

Director  
Ottawa County Central Dispatch Authority  
15 North 6th Street  
Grand Haven, MI 49417

**Ottawa County Office of the Drain Commissioner** drainage districts established pursuant to the Drain Code of 1956 are separate legal entities, with the power to contract, to sue and be sued, to hold, manage and dispose of real and personal property, etc. The Office of the Drain Commissioner is considered to be a component unit of the County because the County has the ability to significantly influence operations and has accountability for fiscal matters. Specifically, the County Board of Commissioners formally approves the Drain Commissioner's budget (as submitted) and all financial management functions are performed by the County. The statutory drainage board of Chapter 20 drainage districts consists of the Drain Commissioner, the Chair of the County Board of Commissioners and one other member of the Board of Commissioners. The statutory drainage board of Chapter 6 and 21 drainage districts consists of the State Director of Agriculture and the Drain Commissioner of each county involved in the project. The Drain Commissioner has sole responsibility to administer the drainage district established pursuant to Chapter 4 and 8 of the Drain Code. The drainage board or Drain Commissioner, on behalf of the drainage district, may issue debt and levy special assessments authorized by the Drain Code without the prior approval of the County Board of Commissioners. The full faith and credit of the County may be given for the debt of the drainage district.

Complete financial statements for the Office of the Drain Commissioner can be obtained from:

Fiscal Services Director  
Ottawa County  
12220 Fillmore Street, Room 331  
West Olive, MI 49460

##### B. Funds with Other Year Ends

The financial statements of the Friend of the Court, 9/30 Judicial Grants, Health, Mental Health, Transportation System, Prosecuting Attorney Grants, Sheriff 9/30 Grant Programs, COPS Universal, Sheriff Road Patrol, Workforce Investment Act - 9/30 Grant Programs, Grant Programs - Pass Thru, Emergency Feeding, Federal Emergency Management Agency, Community Corrections,

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### B. Funds with Other Year Ends (continued)

Community Action Agency, Child Care – Circuit Court and Child Care - Social Services funds (included with Governmental Funds and reflecting total assets and revenues of 9.35% and 40.92%, respectively, of the Governmental Fund totals) and the Protected Self-Funded Insurance-Mental Health Fund (included with Internal Service Funds and reflecting total assets and revenues of 4.21% and .52%, respectively, of the related fund type totals) have been included in the accompanying 2007 financial statements using their fiscal year ended September 30, 2007.

The financial statements of the Workforce Investment Act – Administrative Cost Pool, Workforce Investment Act - Youth, Workforce Investment Act – Adult, and Workforce Investment Act - 6/30 Grant Programs funds (included with Governmental Funds and reflecting total assets and revenues of .61% and 2.36%, respectively, of the Governmental Fund totals) have been included in the accompanying 2007 financial statements using their fiscal year ended June 30, 2007.

The financial statements of the Weatherization and the Workforce Investment Act-3/31 Grant Programs funds (included with Governmental Funds and reflecting assets and revenues of .03% and .23%, respectively, of the Governmental Fund totals) has been included in the accompanying 2007 financial statements using their fiscal year ended March 31, 2007.

Interfund balances, due to/from account balances, indirect expense allocations, as well as transfers, do not agree across all funds due to the different year ends reported in these funds.

#### C. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Indirect expenses* are charged based upon a County-wide cost allocation plan which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. *Program revenues* include (1) charges to customers or

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Government-wide and fund financial statements (continued)

applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### D. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund statements. The fiduciary fund financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1 of the following year, the Delinquent Tax Revolving Fund pays the County for any outstanding taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception exists for certain grant revenues that have been earned but not necessarily received within 60 days in order to match revenues with the corresponding expenditures. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, landfill closure costs and compensated absences are recorded only when payment is due.

Intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The County considers these to be available if received within 180 days of year end. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. However, if the special assessment is

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Measurement focus, basis of accounting, and financial statement presentation (continued)

for the succeeding year's debt service expenditures, the revenue is also accrued. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Parks and Recreation Fund (2081)* – This fund was established for the development, maintenance, and operation of Ottawa County parks. Funding is provided by General Fund appropriations, State grants, and user charges. A Millage of .33 mills was re-approved by the County electorate during 2006 for ten years and expires in 2016.

*Health Fund (2210)* – This fund is used to account for monies received from Federal, State, and local grants and County appropriations. These monies are utilized in providing a variety of health-related services to County residents.

*Mental Health Fund (2220)* – This fund is used to account for monies to provide mental health services within the County. Monies are provided by Federal, State, and County appropriations, contributions, and charges for services.

*Public Improvement Fund (2450)* – This fund is used for earmarked revenues set aside for public improvements. Funding is provided from General Fund appropriations and building rentals.

*Revenue Sharing Reserve Fund (2855)* - Public Act 357 of 2004 provides a funding mechanism to serve as a substitute for state revenue sharing payments. This substitute funding mechanism involves a gradual shift of county property tax millage from a winter tax levy to a summer tax levy and additionally, requires the establishment of a restricted fund to be known as the Revenue Sharing Reserve Fund.

The County reports the following major proprietary fund:

*Delinquent Tax Revolving Fund (5160)* – This Enterprise Fund is used to pay each local governmental unit, including the County General Fund, the respective amount of delinquent taxes not collected as of March 1 of each year. Financing is provided by subsequent collection of delinquent property taxes by the County Treasurer.

Additionally, the County reports the following fund types:

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Measurement focus, basis of accounting, and financial statement presentation (continued)

*Special Revenue Funds* are used to account for revenue from specific revenue sources (other than fiduciary or major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *Capital Projects Fund* accounts for construction projects of the Building Authority. Currently, the fund has limited activity.

The *Permanent Fund* is used to record the activity of the Cemetery Trust which provides funds for perpetual care of cemetery lots.

*Internal Service Funds* account for data processing, equipment purchases, and insurance coverage provided to County departments on a cost reimbursement basis.

*Agency Funds* are used to account for assets held on behalf of outside parties, including other governments. The majority of the balances in the Agency funds represent payments collected on behalf of the State of Michigan and other governmental agencies.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Delinquent Tax Revolving enterprise fund are interest and penalties on delinquent taxes. The principal operating revenues of the County's internal service funds are charges to County departments for equipment amortization and insurance coverage. Operating expenses for the enterprise fund include depreciation on capital assets and rent payments for certain County facilities designed to pay the debt obligations of the related bond issue. Operating expenses for the internal service funds include the cost of services (including claims), administrative expenses, and

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

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### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **D. Measurement focus, basis of accounting, and financial statement presentation (continued)**

depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **E. Assets, liabilities, and net assets or equity**

##### **1. *Cash and pooled investments***

For purposes of the statement of cash flows, the County considers all assets held in the cash and investment pool to be cash equivalents because the investments are not identifiable to specific funds and the assets can be withdrawn at anytime, similar to a demand deposit account. The County's investments consist primarily of U.S. treasuries, U.S. government agency securities, commercial paper, certificates of deposit, local government investment pools, and mutual funds.

Investments of the Insurance Authority consist of U.S. government and U.S. government agency securities and corporate securities. All investments are recorded at fair value.

##### **2. *Receivables, payables and loans***

During the course of operations, numerous transactions occur between individual funds and/or between the primary government and component units for goods provided or services rendered. These receivables and payables are classified as "due from other funds/component units" or "due to other funds/component units" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables".

Any residual balances outstanding between the governmental activities and business-type activity are reported in the government-wide financial statements as "internal balances."

Property taxes for general County operations are levied as of July 1 on property values assessed as of the same date. Property taxes for Parks and the Ottawa County Central Dispatch Authority are levied December 1 on property values assessed as of the same date. The taxes levied December 1 are due on February 14 of the following year and taxes levied July 1 are due on September 14 after which the applicable property is subject to lien, and penalties and interest are assessed.

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. Assets, liabilities, and net assets or equity (continued)

##### 2. *Receivables, payables and loans (continued)*

Other accounts receivable is shown net of the allowance for estimated uncollectibles. For the Mental Health receivables, an allowance of \$194,408 has been established. For the jail and inmate housing receivable and various other receivables an allowance of \$733,827 has been established.

During 2007, no new loans were issued. However, during 2006, the County provided \$500,000 to Coopersville Township for infrastructure projects out of the County's Infrastructure Revolving Loan Fund Program. This loan will be repaid in 10 years, at 3% interest, with the Township's obligated funds from major roads.

During 2005, the County provided \$950,000 to Tallmadge Township for infrastructure projects out of the County's Infrastructure Revolving Loan Fund Program. This loan will be repaid in 10 years, at 3% interest, with the Township's Water and Sewer Fund dollars.

During 2004, the County provided \$705,000 in loans to Allendale Township for two infrastructure projects out of the County's Infrastructure Revolving Loan Fund Program. The loan for \$365,000 will be repaid in 5 years, at 3% interest, with the Township's captured Downtown Development Authority revenues. The loan for \$340,000 will be repaid in 5 years, at 3% interest, with the Township's Water and Sewer Fund dollars. These loans are recorded in the non major special revenue Infrastructure fund (2444). As of December 31, 2007, the gross amount of these outstanding loans for governmental type funds was \$1,438,524. No allowance has been established for these loans.

##### 3. *Advances to other funds*

Noncurrent portions of long-term interfund loans receivable in governmental funds are reported as advances and are offset by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

##### 4. *Inventories and prepaid items*

Inventories are valued at cost on the first-in / first-out (FIFO) method. Inventories are recorded as expenditures when consumed rather than when purchased. Payments made to vendors for services that will benefit periods beyond a fund's fiscal year-end are recorded as prepaid items in both government-wide and fund financial statements.

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. Assets, liabilities, and net assets or equity (continued)

##### 5. *Restricted Net Assets*

The net assets of the Parks and Recreation Fund (Special Revenue Fund 2081) are comprised mainly of unused revenue from a specially designated tax levy. Hence, the entire \$7,670,829 is restricted. In addition, Under Act 136, Public Acts of 1956 (Sections 141.261-141.263, Compiled Laws of 1979), the net assets of the Public Improvement Fund (Special Revenue Fund 2450) in the amount of \$7,008,669 are restricted for statutory Public Improvement.

Under Act 30, Public Acts of 1978, the use of the net assets of the Stabilization Fund (Special Revenue Fund 2570) in the amount of \$8,232,069 are restricted to 1) cover a deficit, 2) prevent a reduction in the level of public services or number of employees in the current or next fiscal year, or 3) cover expenses arising from a natural disaster.

The net assets of the Revenue Sharing Reserve Fund (Special Revenue Fund 2855) in the amount of \$13,664,219 are restricted in compliance with Public Act 357 of 2005.

The use of the \$ 6,036 in net assets of the Cemetery Trust is restricted to the perpetual care of certain cemetery lots.

The net assets of the Protected Self-Funded Insurance – Mental Health (Internal Service Fund 6782) are restricted for mental health programs (\$1,928,884).

It is the County's policy to spend restricted resources first if it meets the criteria of the restricted net asset and use unrestricted resources when the restricted funds are depleted.

The discretely presented component units also have certain restrictions on net assets. Specifically, the Ottawa County Road Commission has restricted \$4,369,991 for primary and local road construction and maintenance. The Drain Commissioner has restricted \$156,955 for debt service, \$385,073 for capital projects, and \$50,405 for general drain maintenance. Last, Ottawa County Public Utilities has restricted \$10,873 for debt service and \$530,669 for operations and maintenance.

##### 6. *Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. Assets, liabilities, and net assets or equity (continued)

##### 6. Capital assets (continued)

government-wide financial statements. For the County, infrastructure exists in the Road Commission and the Drain Commission component units. The capitalization threshold ranges from \$1,000 - \$25,000. Capital assets are defined by the primary government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exists. Donated capital assets are valued at their estimated fair market value on the date received. The amount reported for infrastructure includes assets acquired or constructed since 1980.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

No interest expense has been incurred or capitalized on capital assets reported in proprietary funds.

Depreciation on the capital assets (including infrastructure) of the primary government, as well as the component units, is computed using the straight-line or sum-of-the-years digits method over the following estimated useful lives:

	<u>Years</u>
Land improvements	25
Buildings	25 - 30
Office furniture and equipment	5 - 20
Vehicles	3 - 10
Public domain infrastructure	50
System infrastructure	30

##### 7. Self-insurance claims incurred but not reported

At December 31, 2007 the County has several Internal Service funds which account for various uninsured risks. The County is self-insured up to certain limits, which vary by type of risk, and purchases reinsurance to cover claims in excess of those limits. The County records estimates of self-insurance claims incurred but not reported as of December 31 based on historical trend information and claims reported subsequent to year-end. Such estimates are included in accounts payable.

## COUNTY OF OTTAWA, MICHIGAN

### Notes to the Financial Statements

For the Year Ended December 31, 2007

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#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### E. Assets, liabilities, and net assets or equity (continued)

###### 8. *Compensated absences*

Substantially all County employees are granted vacation and sick leave in varying amounts based on length of service. Vacation pay is fully vested when earned and accrued in the government-wide financial statements. Employees are granted varying amounts of sick days annually and may accumulate up to a maximum of 15 days. Unused sick leave accumulated under the current plan is forfeited upon termination or retirement. Therefore, no liability for unpaid accumulated sick leave is recorded. All employees except judges and elected officials are covered under short and long-term disability benefits if an illness lasts longer than 10 working days or six months, respectively.

Employees who accumulated sick days under the County's prior sick leave policy before moving into the current plan have been allowed to bank up to 120 hours of their sick days accumulated under the prior plan in a holding account at the pay rate in effect when they entered the current plan. Employees' accounts earn interest annually at the average rate earned by the County Treasurer. Employees with at least ten years of continuous service are paid for accumulated sick days in full upon death or retirement and at the rate of 50% of accumulated benefits upon termination for reasons other than death or retirement.

A liability for this amount is accrued and reported in the government-wide financial statements. The County estimates that the maximum liability for unpaid and unused sick leave would be approximately \$634,933 at December 31, 2007 if all employees who accumulated sick leave under the prior plan retired. Only the portion of this liability that has matured is recognized as a current liability. An actuarial estimate of the amount payable to employees upon retirement at December 31, 2007 is \$626,686 and is funded in the Compensated Absences Fund, a Special Revenue Fund, with a corresponding designated fund balance. On the government wide statements, however, it is included in the non-current portion of long-term obligations.

The County has fully funded the vacation liability. The vacation expenditure/expense was recorded in each fund, and this amount was transferred and recorded in the Compensated Absences Fund, a Special Revenue Fund, with a corresponding designated fund balance. An adjustment was made at December 31, 2007 to reflect the change in the balance to \$2,239,103.

Under the Road Commission's personnel policy and contracts negotiated with employee groups, individual employees have a vested right to receive payments for unused vacation and sick leave under formulas and conditions specified in the policy and contracts. Accumulated leave of the general fund is recorded on the statement of net assets and not on the general fund balance sheet because it is not expected to be liquidated with expendable available financial resources.

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. Assets, liabilities, and net assets or equity (continued)

##### 8. *Compensated absences (continued)*

The Dispatch Authority's personnel policy and employment agreements, individual employees have a vested right to receive payments for unused vacation leave under formulas and conditions specified in the policy and agreements. Accumulated leave of the general fund is recorded on the statement of net assets and not on the general fund balance sheet because it is not expected to be liquidated with expendable available financial resources.

##### 9. *Deferred compensation plan*

The County, the Road Commission and the Dispatch Authority offer to their employees several different deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are available to County and Dispatch Authority employees with various options depending on which bargaining unit the employee is a member. All plans permit employees to defer a portion of their salary until future years. Participation in the plans is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The County employee contributions for 2007 were \$1,769,972 and the County match was \$351,072.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of participants and their beneficiaries.

Investments are managed by the plans' trustees, under one of several investment options, or combination thereof. The choice of the investment option(s) is made by the participants or the investment manager at the option of the employee. As the assets of the trust are managed by the plans trustees, the plan assets are not recorded in the financial statements of the County.

##### 10. *Employee Retirement Plans*

The County, the Road Commission and the Dispatch Authority have contributory pension plans covering substantially all of their employees. The plans are funded through annual contributions to the Michigan Municipal Employees' Retirement System in amounts sufficient to fund the normal cost of the plans and to amortize prior service cost over 30 years.

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. Assets, liabilities, and net assets or equity (continued)

##### *11. Long-term obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. For new bond issuances after the implementation of GASB Statement No. 34, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

##### *12. Fund equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Details on these reservations and designations follow:

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. Assets, liabilities, and net assets or equity (continued)

##### 12. Fund equity (continued)

	General Fund	Parks and Recreation Fund	Health Fund	Mental Health Fund	Public Improvement Fund	Revenue Sharing Reserve Fund	Other Governmental Funds
Reserved:							
Long-term advances to other funds and component units	\$325,000						
Inventories	65,304		\$364,996	\$35,067			\$27,265
Convention facilities tax money	1,806,414						
Public Improvement					\$7,008,669		
Revenue Sharing Reserve						\$13,664,219	
Infrastructure loans							1,438,524
Jail booking fees	186,573						
Perpetual care							5,770
Total Reserved	<u>\$2,383,291</u>	<u>\$0</u>	<u>\$364,996</u>	<u>\$35,067</u>	<u>\$7,008,669</u>	<u>\$13,664,219</u>	<u>\$1,471,559</u>
Designated:							
Voting machines	\$57,765						
Planning	544,415						
Grants	577,852						
Mental Health	634,220						
Parks/Open Space		\$580					
Aerial survey	886,683						
Building Improvements	5,585,945						
Computer technology	34,153						
Reserve for budget	864,014						
Register of Deeds technology							\$373,565
Compensated absences							2,865,789
Total Designated	<u>\$9,185,047</u>	<u>\$580</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,239,354</u>

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

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### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **E. Assets, liabilities, and net assets or equity (continued)**

##### *13. Comparative data/reclassifications*

Presentation of comparative total data for the prior year have been presented when available in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

### **II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **A. Budgetary information**

The General, Special Revenue, Debt Service, Capital Projects, and Permanent Funds are under formal budgetary control.

Formal budgetary integration is employed as a management control device during the year for governmental funds. Formal budgetary integration is not employed for other funds; however, informational summaries are prepared and presented to the Board for consideration for proprietary fund types. The County adopts its budget in accordance with Public Act 621, the Uniform Budgeting and Accounting Act, which mandates an annual budget process and an annual appropriation act to implement the budget. Budgets, as presented for these funds in the accompanying financial statements, were prepared on the modified accrual basis of accounting. The County does not use encumbrances in its accounting system.

Budgets for the succeeding fiscal year are presented to the County Administrator for review each July. The Administrator meets with the various department heads submitting budgets to discuss the content and revenue/expenditure levels contained in their budgets. During September, the Administrator submits the budgets with recommendations to the Finance Committee of the County Board of Commissioners. The Finance Committee then makes a budget recommendation to the County Board of Commissioners in October. A public hearing is held in October to provide any County resident the opportunity to discuss the budget with the Board. The budget, and an appropriation ordinance implementing it, is then adopted in October. A separate budget report is then made available to the public.

Budgets for the current year are continually reviewed for any required revisions of original estimates. Proposed increases or reductions in appropriations are presented to the Finance Committee and the Board for their action. The Board amends the general appropriation act as soon as it becomes apparent this action is necessary. The budgetary information as

## **COUNTY OF OTTAWA, MICHIGAN**

### **Notes to the Financial Statements**

**For the Year Ended December 31, 2007**

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## **II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

### **A. Budgetary information (continued)**

presented herein has been amended by official actions of the Finance Committee and/or County Board of Commissioners.

Transfers of any unexpended balance, or any portion thereof, to any other appropriation account may not be made without approval by the Finance Committee with certain exceptions. The Board has delegated authority to the Administrator and Fiscal Services Director to approve transfers within a fund if the amount to be transferred does not exceed \$50,000.

Budgetary control over expenditures is maintained on a line item basis by department, which is the legal level of control. A separate budgetary report is prepared which demonstrates compliance at the legal level of control and is available to the public in the County Clerk's office. Expenditures may not legally exceed budgeted amounts and certain Special Revenue Funds expenditures must be in accordance with the respective agreements with Federal and State grantor agencies.

All budget appropriations lapse at the end of each fiscal year unless specific Board action is taken.

### **B. Excess of expenditures over appropriations**

Certain nonmajor funds experienced overages, all of which were immaterial. These expenditures were permitted either because the County was assured of reimbursement from an outside party (grants) or because the fund had sufficient fund balance to cover the overage. In kind commodities donated from the State were recorded after year end in the Emergency Feeding fund. Matching donated revenue was also recorded. There were more project costs consisting of rent, utilities and transportation than anticipated in the Veteran's Trust fund. Compensated Absences fund expenditures fluctuate yearly depending on the retirees, making them difficult to predict and budget.

## **III. DETAILED NOTES ON ALL FUNDS**

### **A. Deposits and Investments**

Cash and cash equivalents consist primarily of various short-term investments with an original maturity of three months or less and are carried at cost, which approximates fair value.

A reconciliation of deposit and investment balances at year end follows:

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### A. Deposits and Investments (*continued*)

	Primary Government	Component Units	Total
Cash on hand	\$17,493	\$260	\$17,753
Carrying amount of checking and savings accounts	6,277,102	9,112,542	15,389,644
Carrying amount of certificates of deposit	20,028,577	780,000	20,808,577
Carrying amount of investments	96,010,947	30,708,814	126,719,761
Carrying amount of investments - Ottawa County Insurance Authority	18,987,778		18,987,778
<b>Total</b>	<b>\$141,321,897</b>	<b>\$40,601,616</b>	<b>\$181,923,513</b>
<b>Statement of net assets</b>			
Cash and pooled investments	\$119,223,113	\$23,065,670	\$142,288,783
Investments	19,190,212	17,535,946	36,726,158
<b>Statement of fiduciary assets and liabilities</b>			
Cash and pooled investments	2,908,572		2,908,572
<b>Total</b>	<b>\$141,321,897</b>	<b>\$40,601,616</b>	<b>\$181,923,513</b>

The County's investments, as well as the investments of Ottawa County Public Utilities handled by the County, are stated at fair value which is determined as follows: (a) securities are priced by FTI, an on-line pricing service, as of the end of each business day and (b) investments that do not have established market values are reported at estimated fair value.

Michigan statutes authorize the County to invest in bonds, other direct obligations and repurchase agreements of the United States, certificate of deposits, savings accounts, deposit accounts or receipts of a bank which is a member of the FDIC, commercial paper, bankers' acceptances of United States banks, obligations of the State of Michigan and its political subdivisions, external investment pools, and certain mutual funds. The County's investment policy, last amended in April of 2000, allows for all of these types of investments.

The Ottawa County Insurance Authority investment policy allows for all of the investment types authorized for the County as well as investment grade fixed income securities and common stock of U.S. companies.

The Ottawa County Insurance Authority's investments and restricted investments are stated at fair value which is determined as follows: (a) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates and (b) investments that do not have established

## COUNTY OF OTTAWA, MICHIGAN

### Notes to the Financial Statements

For the Year Ended December 31, 2007

#### III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

##### A. Deposits and Investments (*continued*)

market values are reported at estimated fair value. The investments of the Ottawa County Public Utilities System and Central Dispatch Authority were in money market mutual funds.

The majority of the County departments participate in the internal investment pool. However, the following programs/organizations also maintain separate cash and/or investments:

Ottawa County Insurance Authority  
Ottawa County Road Commission  
Ottawa County Public Utilities System  
Ottawa County Central Dispatch Authority  
Ottawa County Building Authority  
Ottawa County Drain Commission Vincent Drain Debt Service  
Ottawa County Drain Commission Nunica Drain Debt Service

The County chooses to disclose its investments by Weighted Average Maturity. As of December 31, 2007, the County had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (years)
Money Market Fund	\$33,223,534	N/A
Agency - FHLB	15,289,370	2.1800
Agency - FNMA	6,671,091	1.3351
Agency - FHLMC	10,746,042	2.0362
Agency - FFCB	2,010,620	3.9821
Treasury Note	28,070,290	N/A
	<u>\$96,010,947</u>	

Portfolio Weighted Average Maturity 1.9977

The County also invests funds of the Ottawa County Public Utilities System (the "System") and the Ottawa County Road Commission and follows the County's deposit and investment policy. Cash and investments held by the County for these component units consist of the following at year end:

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### A. Deposits and Investments (*continued*)

	Ottawa County Public Utilities System	Ottawa County Road Commission
Checking	\$345,864	\$427,221
Savings	1,958,229	203,843
Certificates of Deposit		780,000
Mutual Funds	6,607,217	
Ottawa County Investment Pool		3,336,159
Investments	17,535,946	
	<u>\$26,447,256</u>	<u>\$4,747,223</u>

The County chooses to disclose the investments of the Ottawa County Public Utilities System by specifically identifying each. As of 12/31/07, the investments of the System held by the County are as follows:

Investment	Maturity	Fair Value	Rate	Rating	Source
Money Market Funds	N/A	\$6,607,217	N/A	Unrated	N/A
FNMA Pool #M90821	05/01/08	641,894	3.500%	Unrated	N/A
FNMA Ser 2004-83 REMIC pass through	01/25/25	787,617	5.000%	Unrated	N/A
FNMA Ser 2003-17 REMIC pass through	11/25/25	315,604	4.500%	Unrated	N/A
FHLMC Ser 2557 Multiclass Mtg	01/15/26	264,521	4.500%	Unrated	N/A
FHLMC Ser 2535 Multiclass Mtg	08/15/26	315,558	4.000%	Unrated	N/A
FHLMC Ser 2931 Multiclass Mtg	08/15/26	647,834	5.000%	Unrated	N/A
FHLMC Ser 2693 Multiclass Mtg	08/15/27	733,315	4.500%	Unrated	N/A
FHLMC Ser 2806 Multiclass Mtg	08/15/29	317,575	5.000%	Unrated	N/A
FNMA Ser 2004-18 REMIC pass through	03/25/31	93,504	6.000%	Unrated	N/A
FHLMC Disc Nt	03/31/08	3,018,890	0.000%	Unrated	N/A
FNMA Disc Nt	05/30/08	2,506,905	0.000%	Unrated	N/A
FHLB	09/26/08	2,500,000	4.250%	AAA	S &P
FHLMC	12/16/08	1,734,688	3.125%	AAA	S &P
FFCB	02/23/09	1,315,847	5.000%	AAA	S &P
FHLB	06/12/09	1,328,444	5.250%	AAA	S &P
FNMA	08/13/09	1,013,750	4.500%	AAA	S &P
		<u>\$24,143,163</u>			

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### A. Deposits and Investments (*continued*)

The amount invested by the County's investment pool for the Road Commission consists of money market funds which are unrated.

The Ottawa County Central Dispatch Authority, a discretely presented component unit, chooses to disclose its investments by specifically identifying them:

	<u>Fair Value</u>	<u>Rating</u>	<u>Source</u>
MBIA Class Investment Pool	\$3,206,305	AAA/VI+	Fitch

In addition, as of December 31, 2007, the Ottawa County Insurance Authority had the following investments and maturities in debt securities (none of which are callable):

	<u>Cost</u>	<u>Fair Value</u>	<u>Investment Maturities (fair value by years)</u>			
			<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Over 10</u>
<b>2007</b>						
U.S. treasuries	\$1,665,099	\$1,717,315		\$706,679	\$1,010,636	
U.S. agencies:						
Mortgage-backed	46,514	46,912		46,912		
Discount notes	423,319	425,155	\$425,155			
Agency Passthroughs	1,106,291	1,115,880				\$1,115,880
Corporate bonds	902,272	898,792	9,037	317,337	306,330	266,088
Foreign Corporate bonds	39,952	41,226			41,226	
U.S. Corporate asset backed	390,976	394,133		149,950	191,065	53,118
	<u><b>4,574,423</b></u>	<u><b>4,639,413</b></u>	<u><b>\$434,192</b></u>	<u><b>\$1,220,878</b></u>	<u><b>\$1,549,257</b></u>	<u><b>\$1,435,086</b></u>
<b>Equities</b>						
Common Stock	4,803,306	5,377,267				
<b>Mutual Funds:</b>						
Domestic Equity	1,887,682	1,753,253				
International Equity	1,628,256	1,983,279				
<b>Total investments held by the Authority</b>	<u><b>\$12,893,667</b></u>	<u><b>\$13,753,212</b></u>				

## COUNTY OF OTTAWA, MICHIGAN

### Notes to the Financial Statements

For the Year Ended December 31, 2007

#### III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

##### A. Deposits and Investments (*continued*)

In 1998, to comply with Michigan Insurance Bureau regulations, the Ottawa County Insurance Authority transferred certain investments – i.e., U.S. Treasury Notes – to the Michigan Department of Treasury as security for the benefit of the Authority's policyholders. As these investments mature, they are replaced with comparable investments to maintain a face value balance of \$5.0 million. Such investments held by the State Treasurer as of December 31, 2007 and 2006, are as summarized:

<u>Description</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Face Value</u>	<u>Fair Value</u>	
				<u>2007</u>	<u>2006</u>
U.S. Treasury Notes	03/31/11	4.875%	\$ 1,400,000	\$ 1,477,434	\$ -
U.S. Treasury Notes	07/31/11	4.875%	1,675,000	1,767,644	-
U.S. Treasury Notes	8/15/2016	4.875%	485,000	516,448	-
U.S. Treasury Notes	02/15/07	6.250%	485,000	-	485,756
U.S. Treasury Notes	02/15/07	4.375%	1,400,000	-	1,396,444
U.S. Treasury Notes	08/15/07	6.125%	1,675,000	-	1,685,804
U.S. Treasury Notes	11/15/08	4.750%	1,100,000	1,112,375	1,098,845
U.S. Treasury Notes	02/15/12	4.875%	340,000	360,665	343,414
				<u>\$ 5,234,566</u>	<u>\$ 5,010,263</u>

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure, the County's deposits may not be returned to the County. It is County policy to review and verify a bank's creditworthiness through a system of ratio analysis and from information provided by several third party sources. The County policy also places maximum limits on percent of portfolio, per issuer and duration. The County places concentration limits on banks based on creditworthiness analysis. As of December 31, 2007, \$45,775,875 of the County's bank balance (including certificates of deposit) of \$46,863,510 was uninsured and uncollateralized. Deposits of the Ottawa County Road Commission, Ottawa County Public Utilities and Ottawa County Drain commission that are pooled with the County's (primary government) deposits cannot be separately identified for federal depository insurance purposes.

The Ottawa County Insurance Authority's cash in the amount of \$1,175 at December 31, 2007 was FDIC insured. In addition, as of December 31, 2007, \$4,792,277 of the Ottawa County Central Dispatch Authority's bank balance of \$4,892,277 was uninsured and uncollateralized. As of September 30, 2007, \$3,364,426 of the Ottawa County Road Commission's bank balance of \$3,664,426 was uninsured and uncollateralized.

## COUNTY OF OTTAWA, MICHIGAN

### Notes to the Financial Statements

For the Year Ended December 31, 2007

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#### III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

##### A. Deposits and Investments (*continued*)

*Custodial Credit Risk – Investments.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's investment policy requires that investment securities be held in third-party safekeeping by an institution designated as primary agent. The policy further states that safekeeping agent follows the procedure of delivery vs. payment. As of December 31, 2007, the County's \$62,787,413 in treasury investments was held in third-party safekeeping in the County's name. The short-term investments in money market funds by the Ottawa County Public Utilities system in the amount of \$6,607,217 at December 31, 2007, are unrated and not subject to custodial risk categorization because they do not consist of specifically identifiable securities.

The County also invests in money market funds that have their securities safe kept with a third party selected by the counter party. However, the pool's securities are held in trust for the participants of the fund and are not available to the counter party if the counter party should happen to fail. The County believes this arrangement satisfies the County's investment policy's safekeeping requirement.

The Ottawa County Insurance Authority's short-term investments in money market funds amounting to \$1,025,903 and \$207,395 at December 31, 2007 and 2006, respectively, are not subject to custodial risk categorization. At December 31, 2007 and 2006, the Authority did not have any custodial credit risk on its investments.

*Credit Risk.* State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations with a maximum maturity of 270 days. The County's investment policy further limits its investment choices by limiting the maturity to A-1 90 days and A-2 60 days. As of December 31, 2007, the County had no investments in commercial paper. The two money market bank investment pools used by the County are rated Aaa by Moody's. One of the two external money market funds used by the County is rated Aaa by Moody's, the other external money market funds used by the County is not rated. The County's investment policy is silent on the use of rated vs. unrated money market funds. In addition, there is no rating level requirement for those money market funds that are rated.

As of December 31, 2007, the Ottawa County Insurance Authority's investments in the mortgage-backed bonds of U.S. agencies were rated AAA by Moody's; the discount notes of U.S. agencies were rated A-1+ by Moody's; Agency Passthrough pools were not rated; and U.S. Corporate Asset backed were rated AAA by Moody's. The Authority's investments in U.S. and Foreign corporate bonds were rated by Moody's as follows:

## COUNTY OF OTTAWA, MICHIGAN

### Notes to the Financial Statements

For the Year Ended December 31, 2007

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### III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### A. Deposits and Investments (*continued*)

AAA	\$ 66,994
AA3	126,111
AA1	35,055
A3	60,671
A2	92,760
A1	219,074
BBB+	14,369
BAA3	48,581
BAA2	87,802
BAA1	132,087
BA3	6,400
BA1	8,888
	<u><u>\$ 898,792</u></u>

*Concentration of Credit Risk.* The County's investment policy specifies a plan to diversify and set concentration limits to further manage credit risk. The policy sets maximum percentages of the pooled portfolio by investment type with additional maximums by issuer. A minimum of 15% is to be invested in U.S. Treasuries. The policy sets a maximum of 50% in U.S. agencies with a maximum of 20% in any one issuer. Certificates of deposit have a 50% maximum with concentration limits set at 5% of the issuer's net worth. More than 5% of the County's investments were in FHLB (13.2%), FHLMC (9.3%), and FNMA (5.7%), however, they do not exceed the County's policy. No other issuer of investments exceeded 5%.

*Interest Rate Risk.* The County does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The policy sets the maximum maturity by specific type of security and by specific issuer with the maximum of 10 years. The average maturity of the portfolio as a whole may not exceed three years.

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### C. Deferred/Unearned Revenue

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned. The governmental activities column of the statement of net assets reports unearned revenue for resources that have been received, but not yet earned as well as property taxes which have been levied as of year end for use in the next fiscal year.

### D. Capital assets

Capital asset activity for the year ended December 31, 2007 was as follows:

#### Primary Government:

	Beginning of Year	Additions	Deductions	End of Year
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$36,605,908	\$1,455,495	(\$1)	\$38,061,402
Construction in progress	60,985	5,270,967		5,331,952
Total capital assets, not being depreciated	<u>36,666,893</u>	<u>6,726,462</u>	<u>(1)</u>	<u>43,393,354</u>
Capital assets, being depreciated:				
Land Improvements	11,791,871	1,746,333		13,538,204
Buildings	65,893,108	284,999	(356,319)	65,821,788
Machinery and equipment	20,405,472	2,819,857	(1,391,291)	21,834,038
Total assts, being depreciated	<u>98,090,451</u>	<u>4,851,189</u>	<u>(1,747,610)</u>	<u>101,194,030</u>
Less accumulated depreciation for:				
Land Improvements	(4,381,173)	(612,655)		(4,993,828)
Buildings	(15,138,038)	(1,953,490)	331,901	(16,759,627)
Machinery and equipment	(15,107,063)	(2,015,631)	1,358,659	(15,764,035)
Total accumulated depreciation	<u>(34,626,274)</u>	<u>(4,581,776)</u>	<u>1,690,560</u>	<u>(37,517,490)</u>
Net capital assets, being depreciated	<u>63,464,177</u>	<u>269,413</u>	<u>(57,050)</u>	<u>63,676,540</u>
Net governmental activities capital assets	<u>\$100,131,070</u>	<u>\$6,995,875</u>	<u>(\$57,051)</u>	<u>\$107,069,894</u>

**COUNTY OF OTTAWA, MICHIGAN**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2007**

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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Capital assets (continued)**

<b>Business-type activities:</b>	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of Year</u>
Capital assets, being depreciated:				
Machinery and equipment	\$58,443			\$58,443
Less: accumulated depreciation for:				
Machinery and equipment	(54,394)	(\$1,012)		(55,406)
Net business-type activities capital assets	<u>\$4,049</u>	<u>(\$1,012)</u>		<u>\$3,037</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Judicial	\$13,223
General government	2,001,831
Public safety	326,185
Public works	67,153
Health and Welfare	437,113
Culture and recreation	502,896
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the net assets	1,233,375
Total depreciation expense - governmental activities	<u>\$4,581,776</u>
Business-type activities:	
Delinquent tax collection	<u>\$1,012</u>

**Discretely Presented Component Units**

Activity for the capital assets of the component units for the various years ended were as follows:

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### D. Capital assets (continued)

	Beginning of Year	Additions	Deductions	End of Year
Capital assets, not being depreciated:				
Land and improvements	\$1,367,182			\$1,367,182
Construction in progress		\$64,807		64,807
Total capital assets, not being depreciated	1,367,182	64,807		1,431,989
Capital assets, being depreciated:				
Buildings	11,179,350			11,179,350
Machinery and equipment	23,475,669	1,561,832	(\$799,217)	24,238,284
Infrastructure	233,526,880	16,977,589		250,504,469
Total assets, being depreciated	268,181,899	18,539,421	(799,217)	285,922,103
Less accumulated depreciation for:				
Buildings	(2,707,741)	(229,456)		(2,937,197)
Machinery and equipment	(18,362,741)	(1,714,405)	748,418	(19,328,728)
Infrastructure	(76,713,578)	(8,067,210)		(84,780,788)
Total accumulated depreciation	(97,784,060)	(10,011,071)	748,418	(107,046,713)
Net capital assets, being depreciated	170,397,839	8,528,350	(50,799)	178,875,390
Net component unit capital assets	\$171,765,021	\$8,593,157	(\$50,799)	\$180,307,379

#### Commitments

At December 31, 2007, the County has \$15.6 million in commitments for the construction of the Grand Haven Courthouse and \$3.9 million for construction of the Fillmore Street Annex project. In addition, \$337,000 is committed for various park improvement projects.

The Ottawa County Public Utilities discrete component unit has commitments for plant and infrastructure improvement projects totaling approximately \$11,500,000. These commitments are being funded from bond proceeds issued in prior years.

The Ottawa County Central Dispatch Authority discrete component unit has commitments of \$100,000 for building design costs.

**COUNTY OF OTTAWA, MICHIGAN**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2007**

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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Interfund receivables, payables, and transfers**

The composition of interfund balances as of December 31, 2007, is as follows:

Amounts Due to and from Other Funds

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Primary Government:		
Major Governmental Funds:		
General Fund		\$4,013,220
Parks and Recreation	\$463,134	
Mental Health	58,887	
Public Improvement Fund	346,122	
Revenue Sharing Reserve Fund	640,042	
Major Enterprise Fund:		
Delinquent Tax Revolving	999,816	
Non-major Governmental Funds	736,702	
Internal Service Funds	4,878,508	3,941,743
	<u>8,123,211</u>	<u>7,954,963</u>
September 30 due from paid before December 31 year end		168,248
	<u><u>\$8,123,211</u></u>	<u><u>\$8,123,211</u></u>

Interfund balances primarily reflect the interest on investments that will be allocated from the General Fund. However, included in the Internal Service Funds is \$3,923,551 which represents funds from the Worker's Compensation program that are invested by the Ottawa County Insurance Authority. There are no plans to pay off this liability within the next year.

**COUNTY OF OTTAWA, MICHIGAN**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2007**

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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Interfund receivables, payables, and transfers (continued)**

Due to and from Primary Government and Component Units

	<u>Due from Component Units</u>	<u>Due to Primary Government</u>
Major Enterprise Fund:		
Delinquent Tax Revolving	\$81,180	
Ottawa County Public Utilities System		\$81,180
Total	<u>\$81,180</u>	<u>\$81,180</u>

	<u>Due from Primary Government</u>	<u>Due to Component Units</u>
Major Governmental Fund:		
General Fund		\$31,581
Ottawa County Central Dispatch Authority	\$31,581	
Total	<u>\$31,581</u>	<u>\$31,581</u>

Due to and from Other Component Units

	<u>Due from Other Component Units</u>	<u>Due to Other Component Units</u>
Ottawa County Public Utilities		\$70,788
Ottawa County Road Commission		19,524
Ottawa County Drains	<u>\$19,524</u>	
	19,524	<u>90,312</u>
December 31 due from established after September 30 year end	<u>70,788</u>	
	<u>\$90,312</u>	<u>\$90,312</u>

**COUNTY OF OTTAWA, MICHIGAN**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2007**

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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Interfund receivables, payables, and transfers (continued)**

In addition, certain funds that are a part of the County's pooled cash report negative cash balances at year end. Accordingly, an interfund payable is established in the amount of the negative cash balance, and a corresponding interfund receivable is established in the General Fund.

Interfund Receivables and Payables

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Funds:		
General Fund	\$883,462	
Non-major Governmental Funds		\$817,132
Internal Service Funds		66,330
Total	<u><u>\$883,462</u></u>	<u><u>\$883,462</u></u>

Long-Term Advances to and from Primary Government and Component Units

	<u>Advances to Component Units</u>	<u>Advances from Primary Government</u>
Primary Government:		
Major Governmental Funds:		
General Fund	\$325,000	
Component Units:		
Ottawa County Public Utilities		\$150,000
Ottawa County Drain Commissioner		175,000
Total	<u><u>\$325,000</u></u>	<u><u>\$325,000</u></u>

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### E. Interfund receivables, payables, and transfers (continued)

##### Interfund transfers within the Primary Government

	Transfer In						9/30/2007 transfer in made after 12/31/2006 year end	Total
	General Fund	Parks and Recreation	Health	Mental Health	Public Improvement	Non-major Governmental Funds		
<b>Transfer out:</b>								
Major Funds:								
General Fund		\$530,000	\$5,926,606	\$476,500		\$6,828,648	(\$24,224)	\$13,737,530
Public Improvement						325		325
Revenue Sharing								
Reserve	\$4,396,399							4,396,399
Non-major Governmental								
Funds					\$173,994	35,397		209,391
Internal Service Funds	29,000							29,000
	<u>\$4,425,399</u>	<u>\$530,000</u>	<u>\$5,926,606</u>	<u>\$476,500</u>	<u>\$173,994</u>	<u>\$6,864,370</u>	<u>(\$24,224)</u>	<u>\$18,372,645</u>

Transfers are used to: (1) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them.

#### F. Leases

##### Operating Leases

The County is committed under various leases for building and office space. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended December 31, 2007 amounted to \$352,595. Future minimum lease payments for these leases are as follows:

**COUNTY OF OTTAWA, MICHIGAN**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2007**

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**III. DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Leases (continued)**

<u>Year Ending</u>	<u>Amount</u>
2008	\$283,890
2009	247,552
2010	165,883
2011	61,940
2012	26,158
	<u>\$785,423</u>

In addition, the County is a lessor under various operating lease agreements for office space and marinas. The original cost of these assets was \$17,227,608 and the accumulated depreciation totals \$4,599,617 leaving a carrying value of \$12,627,991.

Lease revenue for the year ending December 31, 2007 was \$1,236,608. Future lease revenues for these leases are as follows:

<u>Year Ending</u>	<u>Amount</u>
2008	\$636,300
2009	\$636,300
2010	\$636,300
2011	\$636,300
2012	\$636,300
2013 - 2015	1,272,600
	<u>\$4,454,100</u>

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### G. Long-term debt

The County issues general obligation bonds to provide funds for the construction of water and sewage disposal systems, drains and buildings and to refund previously issued bonds. General obligations have been issued only for governmental activities and component units. The bonds are being repaid generally from funds received from local municipalities in the County, from drain assessments levied, and from lease revenues received by the Building Authority. Under the terms of the bond agreements, the local municipalities have pledged their full faith and credit to pay the County, each year, amounts sufficient to make principal and interest payments on the bonds.

In addition, the County has pledged its full faith and credit for payment on the bonds. The County has not established a reserve or sinking fund to cover defaults by property owners or local units. These bonds generally are issued as 20-year serial bonds with varying amounts of principal maturing each year.

The original issue amount of the primary government's bonds is \$36,040,000. The original issue amount of the Drain Commissioner's and Ottawa County Public Utilities' bonds are \$376,500 and \$144,113,000, respectively.

In November 2001, the Ottawa County Road Commission issued \$4,500,000 in Public Act 143 bonds for the purpose of constructing a maintenance facility in Holland. The borrowing will be paid from State revenue allocated to the County Road Commission for road purposes. The County did not pledge its full faith and credit for these bonds.

General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Primary Government	Component Units			Total Ottawa County
			Ottawa County Road Commission	Ottawa County Public Utilities System	Ottawa County Drain Commissioner	
Governmental activities	2.0 - 6.0%	\$18,090,000	\$1,800,000	\$28,305,000	\$326,500	\$48,521,500
Governmental activities - refunding	2.5 - 7.6%	11,590,000		73,158,236		84,748,236
		<u>\$29,680,000</u>	<u>\$1,800,000</u>	<u>\$101,463,236</u>	<u>\$326,500</u>	<u>\$133,269,736</u>

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### G. Long-term debt (continued)

The annual debt service requirements (to maturity) for the bonds outstanding at year-end follow. Interest is payable on all bond obligations semi-annually. Principal payments are made annually.

Year Ending December 31	Primary Government		Component Units	
	Principal	Interest	Principal	Interest
2008	\$2,235,000	\$1,301,434	\$8,032,767	\$4,623,542
2009	2,335,000	1,206,246	6,693,767	3,993,432
2010	2,035,000	1,114,332	7,321,767	3,734,896
2011	2,110,000	1,033,868	5,756,767	3,471,947
2012	1,635,000	949,794	5,263,767	3,249,891
2013-2017	9,320,000	3,582,845	24,370,833	13,142,012
2018-2022	5,025,000	1,778,358	18,105,365	8,677,251
2023-2027	4,985,000	614,896	13,459,703	5,319,702
2028-2032			14,480,000	2,084,159
2033-2035			105,000	8,073
	<u>\$29,680,000</u>	<u>\$11,581,773</u>	<u>\$103,589,736</u>	<u>\$48,304,905</u>

*Parks and Recreation Land Contracts.* The Parks and Recreation department has engaged in a land contract for the purpose of acquiring land for park development. The initial issuance amount was \$200,000. The interest rate is 9.25%. Principal and interest requirements are as follows:

Year Ending December 31	Principal	Interest
2008	\$28,840	\$2,668

*Capital Lease.* During 2007, the County (Primary Government) signed a three year capital lease for conversion software. The software will provide a graphical user interface for Justice System software. The agreement provides financing of \$105,008 for this project. As of 12/31/07, capital assets of \$106,239 are included in Internal Service Fund statements as well as the Statement of Net Assets. Terms for this agreement include monthly payments of \$3,157 (including interest of 4.68%) which will end 12/31/2010.

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### G. Long-term debt (continued)

*Current Year Advance Refundings.* There were no advance refundings for the Primary government or its component units during 2007.

*Prior Years Advance Refundings.* In prior years, the Building Authority and the Ottawa County Public Utilities System advance refunded certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The advance refunding resulted in a defeasance of the bonds. As a result of these advance refundings, the trust account assets and the liability for the defeased bonds are not included in these financial statements. At December 31, 2007, \$11,585,000 and \$4,405,000 of bonds are considered defeased for the Building Authority and the Ottawa County Public Utilities System, respectively.

*Changes in Long-Term Liabilities.* Long-term liability activity for the year ended December 31, 2007 was as follows:

#### Primary Government

	Beginning of Year	Additions	Reductions	End of Year	Due within One Year
Governmental activities:					
General obligation bonds	\$21,510,000	\$10,000,000	\$1,830,000	\$29,680,000	\$2,235,000
Landfill reclamation	3,564,940	334,762		3,899,702	2,159,702
Compensated absences	2,994,318	187,303	315,832	2,865,789	2,278,589
Parks & Recreation land contracts	101,232		72,392	28,840	28,840
Capital lease		106,239		106,239	35,413
Total	<u>\$28,170,490</u>	<u>\$10,628,304</u>	<u>\$2,218,224</u>	<u>\$36,580,570</u>	<u>\$6,737,544</u>

The reporting entity's legal debt margin at December 31, 2007 is \$1,040,735,141.

For the governmental activities, compensated absences are generally liquidated by the Compensated Absences Special Revenue fund. Future payments for the land contracts are paid out of the Parks and Recreation Special Revenue fund.

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### G. Long-term debt (continued)

##### Discretely Presented Component Units

	Beginning of Year	Additions	Reductions	End of Year	Due within One Year
Governmental activities:					
General obligation bonds	\$70,505,533	\$40,466,203	\$7,382,000	\$103,589,736	\$8,032,767
Notes payable	60,800	200,000	7,600	253,200	107,600
Claims payable	134,418		11,255	123,163	
Compensated absences	750,886	94,946	122,375	723,457	571,691
Capital Leases/Installment Purchases	761,361	257,452	108,783	910,030	410,651
Total	<u>\$72,212,998</u>	<u>\$41,018,601</u>	<u>\$7,632,013</u>	<u>\$105,599,586</u>	<u>\$9,122,709</u>

#### H. Landfill reclamation

The County owns the Southwest Ottawa County Refuse Disposal Center ("SOCRDC") otherwise known as the Southwest Ottawa County Landfill. Waste Management operated the landfill from the early 1970's until it was closed in 1981. The landfill was closed per the terms of the "1981 closure agreement" between the County and the Department of Natural Resources (DNR). The agreement outlined a plan to cap the landfill and install a pump and carbon filtration system. Waste Management installed the cap in the mid 1980's; the pump and carbon filtration system was built by the County in 1987, as per the terms of the closure agreement. The County has been operating the pump and filter system 24 hours a day, 7 days a week since beginning operation in 1987.

The pump and filter system have not been effective in containing the plume of contaminants in the groundwater down gradient from the landfill. As a result, contaminants have escaped past the outer purge wells and are migrating southwest towards Lake Michigan. Even though the contaminated water meets drinking water standards, the County is providing municipal water to the property owners in the path of the plume, and is working with the local unit of government to place institutional controls on future users moving into the area. The County has completed negotiations with the Michigan Department of Environmental Quality (MDEQ), formerly known as the DNR, with a revised plan to clean up the contamination. The County began work in 2006 to recap the landfill. Enhancing the water filtration system started in 2006 as well, costing \$190,971 to date. The total cost of these enhancements could well exceed \$4.3 million dollars.

## COUNTY OF OTTAWA, MICHIGAN

### Notes to the Financial Statements

For the Year Ended December 31, 2007

#### III. DETAILED NOTES ON ALL FUNDS (CONTINUED)

##### H. Landfill reclamation (continued)

The County's estimate of annual operating and maintenance costs and capital improvements for the purge system is as follows:

<u>Year Ending</u>	<u>Estimated Cost</u>
2007	\$2,159,702
2008	278,000
2009	188,000
2010	175,000
2011	191,000
2012-2016	908,000
	<u>\$3,899,702</u>

#### IV. OTHER INFORMATION

##### A. Defined benefit pension plan

1. *Plan Description.* The County of Ottawa, the Ottawa County Road Commission and the Ottawa County Central Dispatch Authority have defined benefit pension plans which provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The County of Ottawa, the Ottawa County Road Commission and the Ottawa County Central Dispatch Authority participate in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the MERS Retirement Board. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 447 North Canal Road, Lansing, Michigan, 48917 or by calling (800) 767-6377.
2. *Funding Policy.*

County of Ottawa:

The County is required to contribute at an actuarially determined rate; the current rate ranges from 4.88% to 20.68% as a percentage of annual covered payroll and varies by participating division. Certain employee groups are currently required to contribute to the Plan that ranges

## COUNTY OF OTTAWA, MICHIGAN

### Notes to the Financial Statements

For the Year Ended December 31, 2007

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#### A. Defined benefit pension plan (continued)

from 0% to 6.99% of their annual covered payroll. The contribution requirements of the County are established and may be amended by the MERS Retirement Board. The contribution requirements of plan members, if any, are established and may be amended by the County, depending on the MERS contribution program adopted and/or negotiated by the County.

##### Ottawa County Road Commission:

The Road Commission is required to contribute at an actuarially determined rate of 13.69% to 37.56% as a percentage of annual covered payroll and varies by participating division. Employees are currently not required to contribute to the plan. The contribution requirements of the Road Commission are established and may be amended by the MERS Retirement Board. The contribution requirements of plan members, if any, are established and may be amended by the Road Commission, depending on the MERS contribution program adopted by the Road Commission.

##### Ottawa County Central Dispatch Authority:

The Authority is required to contribute at a predetermined rate because the plans are closed. The predetermined contributions vary based on employment division. Employees currently do not contribute to the plan. The contribution requirements of the Authority are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members, if any, are established and may be amended by the Authority, depending on the MERS contribution program adopted by the Authority.

##### *Annual Pension Cost - County of Ottawa:*

For the year ended December 31, 2007, the County's annual pension cost of \$4,366,827 was greater than the County's required contribution of \$4,317,144. The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year, compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 8.40% per year, depending on age, attributable to seniority/merit.

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### IV. OTHER INFORMATION (CONTINUED)

#### A. Defined benefit pension plan (continued)

The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and included an adjustment to reflect market value. The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over a period of 29 years on an open basis. The remaining amortization period at December 31, 2006, the date of the latest actuarial valuation, was 29 years.

#### Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
12/31/2005	\$3,743,136	99%	\$2,018,460
12/31/2006	4,048,120	99%	1,965,237
12/31/2007	4,366,827	99%	1,915,554

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll (b-a/c)
12/31/2004	\$98,134,649	\$115,966,795	\$17,832,146	85%	\$36,798,996	48%
12/31/2005	106,312,114	126,887,611	20,575,497	84%	38,259,539	54%
12/31/2006	116,418,835	138,434,883	22,016,048	84%	40,525,474	54%

The County's Annual Pension Cost and Net Pension Asset for the current year are as follows:

**COUNTY OF OTTAWA, MICHIGAN**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2007**

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**IV. OTHER INFORMATION (CONTINUED)**

**A. Defined benefit pension plan (continued)**

Actuarially determined contribution	\$4,317,144
Interest on Net Pension Asset	157,219
Adjustment to actuarially determined contribution	(107,536)
Annual pension cost	<u>4,366,827</u>
Contributions made	<u>4,317,144</u>
Decrease in Net Pension Asset	(49,683)
Net Pension Asset at beginning of year	<u>1,965,237</u>
Net Pension Asset at end of year	<u><u>\$1,915,554</u></u>

Ottawa County Road Commission:

For the year ended September 30, 2007, the Road Commission's annual pension cost of \$943,400 for MERS was equal to the Road Commission's required and actual contributions. The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year, compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and included an adjustment to reflect market value. The Road Commission's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over a period of 30 years on an open basis. The remaining amortization period at December 31, 2006, the date of the latest actuarial valuation, was 30 years.

**Three Year Trend Information**

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
12/31/2005	\$682,372	100%	\$0
12/31/2006	850,700	100%	0
12/31/2007	943,400	100%	0

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### IV. OTHER INFORMATION (CONTINUED)

#### A. Defined benefit pension plan (continued)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAL) (b-a)	Fund Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll (b-a/c)
12/31/2004	\$28,971,985	\$35,450,480	\$6,478,495	82%	\$6,286,653	103%
12/31/2005	29,768,361	37,092,752	7,324,391	80%	6,478,421	113%
12/31/2006	31,130,701	38,533,848	7,403,147	81%	6,272,650	118%

Ottawa County Central Dispatch Authority:

For the year ended December 31, 2007, the Dispatch Authority's annual pension expense of \$52,968 for MERS was equal to the Authority's required and actual contributions. The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year, compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and included an adjustment to reflect market value. The Dispatch Authority's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over a period of 30 years on an open basis. The remaining amortization period at December 31, 2006, the date of the latest actuarial valuation, was 30 years.

#### Three Year Trend Information

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
12/31/2005	\$59,077	100%	\$0
12/31/2006	57,932	100%	0
12/31/2007	52,968	100%	0

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### IV. OTHER INFORMATION (CONTINUED)

#### A. Defined benefit pension plan (continued)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAL) (b-a)	Fund Ratio (a/b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll (b-a/c)
12/31/2004	\$1,165,248	\$1,285,826	\$120,578	91%	\$625,571	19%
12/31/2005	1,312,860	1,369,486	56,626	96%	538,217	11%
12/31/2006	1,451,371	1,517,960	66,589	96%	443,927	15%

#### B. Defined contribution pension plan

The Ottawa County Central Dispatch Authority's defined contribution pension plan provides pension benefits for employees hired after January 1, 2000 who work 30 or more hours per week and those hired before January 1, 2000 electing participation in the defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate immediately upon employment. The Authority contributes 2% of each participant's base salary to the plan. The Authority also matches employee contributions up to a total Authority contribution of 5%. Employees are required to contribute a minimum of 2% of base pay to the plans. Participating employee contributions are vested 100% upon hire. The plan provisions and contribution amounts were established by the Authority Board and may be amended by the Authority Board. The plan is administered by MERS.

The Authority and member contributions were \$51,913 and \$51,913, respectively, for the current year. Employer and plan member contributions are recognized in the period that the contributions are due. Plan investments are excluded from this report as the fiduciary responsibility rests with MERS.

#### C. Self-insurance

The County is self-funded for liability, worker's compensation, health insurance, unemployment, dental insurance and vision insurance. The claims liabilities reported at December 31, 2007 are based on the requirements of Statement No. 10 of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated.

The Ottawa County, Michigan Insurance Authority (the "Insurance Authority") blended component unit accounts for the self-insurance program for municipal excess liability, law enforcement liability, professional liability, and property liability. The Insurance Authority's participating members

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### IV. OTHER INFORMATION (CONTINUED)

include the County of Ottawa and the Ottawa County Building Authority blended component unit. The Insurance Authority purchases municipal excess liability, auto liability, professional liability and property coverage. Property coverage carries a \$50,000 deductible and the liability coverages attach above a \$1 million SIR for all other coverages. The liability policies in total provide layers of coverage of up to \$12 million which is equal to the coverage from the prior year for liability protection. In addition, the Ottawa County Insurance Authority, a blended component unit, provides coverage above the \$12 million for total aggregate coverage of \$20 million. The property coverage is \$124,617,280 which is \$28,996,717 more than the prior year. Coverage was adjusted to reflect updated property values and the construction of the new Grand Haven courthouse as well as the Fillmore Street complex addition.

The revenues for this fund's operation are reimbursements from various funds. The funds are charged based on the number of full time equivalents, number of vehicles and other pertinent information. Losses, damages and administrative expenses are all paid from this fund. Administrative expenses are first paid from Internal Service fund 6770, Protected Self-Funded Insurance Programs and then invoiced to the Authority. The claim liability for known claims and incurred but not reported claims are determined by an actuary. No annuity contracts have been purchased to satisfy claim liabilities. Settled claims have not exceeded insurance coverage in the history of the self-insurance program.

The changes in the claims liability for the years ended December 31, 2006 and 2007 as recorded in the Insurance Authority blended component unit are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2006	\$9,215,433	\$231,861	\$1,989,388	\$7,457,906
2007	7,457,906	(1,331,770)	371,507	5,754,629

The County's self-insured worker's compensation program provides Michigan statutorily required coverage for worker's compensation claims. It also provides employer's liability coverage of \$13 million excess above the \$750,000 self-insured retention. An independent third party administrator administers the program for an annual fee.

The self-insurance program for health insurance including prescription coverage, dental and vision insurance is accounted for in the Protected Self-Funded Health fund (Internal Service fund 6771). An independent administrator is contracted to process the daily claims. For the health insurance, the County is responsible for claims up to \$200,000 per individual, and purchases specific excess

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### IV. OTHER INFORMATION (CONTINUED)

#### C. Self-insurance (continued)

reinsurance to a lifetime maximum of \$2 million. There is no aggregate limit on the claims for which the county is responsible. The deductible on the specific excess reinsurance is the same as it was for the prior year. Benefits for the dental program stayed the same as the prior year and are capped at \$800 to \$1,400 per person annually, depending on bargaining unit and the dental plan chosen. Vision is capped at various dollar limits per person every two years for eye exams, frames, and lenses. During 2006, an interim vision benefit was added that will pay for an eye exam and new lenses if the participant's vision changed by a minimum amount. In 2006, dental and vision insurance were accounted for in separate funds (6776 and 6777 respectively), but were combined with the health fund for 2007. The County is also responsible for paying administrative charges which are included in this fund. The revenues for this fund's operation are reimbursements from various funds, employee withholdings, and retiree co-payments. The liability at the end of the year is based on claims already incurred and reported.

Settled claims have not exceeded insurance coverage in the history of the self-insurance program. The changes in the claims liability for the years ended December 31, 2006 and 2007 are as follows:

	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2006	\$836,908	\$8,680,328	\$8,342,676	\$1,174,560
2007	1,174,560	10,731,604	10,360,942	1,545,222

The self-insurance program for unemployment is accounted for in the Protected Self-Funded Unemployment fund (Internal Service fund 6772). Unemployment claims are reimbursed to the Michigan Employment Security Commission based on actual claims annually and were \$80,387 and \$28,319 in 2006 and 2007, respectively.

#### Discretely Presented Component Units:

The Ottawa County Road Commission is exposed to lawsuits and claims made by individuals. In response to this exposure, the Ottawa County Road Commission participates in the Michigan County Road Commission Self-Insurance Pool (MCRCSIP). Participation in the MCRCSIP requires payment of premiums to the pool. The pool purchases commercial reinsurance on behalf of its members.

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### IV. OTHER INFORMATION (CONTINUED)

#### C. Self-insurance (continued)

Due to the Road Commission's participation in this pool, the liability of the Ottawa County Road Commission relative to claims covered by the pool is limited to \$25,000 per occurrence.

The Road Commission's self-funded workers' compensation program contains stop-loss and coverage of \$300,000 per incident. This limits the Commissions' responsibility for payment to \$300,000 per workers' compensation claim.

Settled claims for the Road Commission have not exceeded coverage during the past three years. There have been no significant reductions in insurance coverage during the past year.

The Road Commission's self-funded insurance claims that have been incurred through the end of the year include both those claims that have been reported as well as those that have not been reported. These estimates are recorded in the government-wide statements as they are not expected to be liquidated with available financial resources. The Commission is exposed to various risks of loss related to torts, destruction of assets and errors and omissions for which it obtains coverage from commercial insurance companies. The Commission had no settled claims resulting from these risks that exceeded commercial coverage in any of the past three years. Changes in the estimates are as follows:

	MCRCSIP Liability Plan	Workers' Compensation Plan	Total
Estimated liability - September 30, 2005	\$9,700	\$95,421	\$105,121
Estimated claims incurred including changes in estimates	81,517	81,030	162,547
Claims paid	(10,210)	(123,040)	(133,250)
Estimated liability – September 30, 2006	81,007	53,411	134,418
Estimated claims incurred including changes in estimates	29,623	93,751	123,374
Claims paid	(34,725)	(99,904)	(134,629)
Estimated liability – September 30, 2007	<u>\$75,905</u>	<u>\$47,258</u>	<u>\$123,163</u>

## **COUNTY OF OTTAWA, MICHIGAN**

### **Notes to the Financial Statements**

**For the Year Ended December 31, 2007**

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#### **IV. OTHER INFORMATION (CONTINUED)**

##### **C. Self-insurance (continued)**

The Ottawa County Central Dispatch Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, and natural disasters. The Authority has purchased commercial insurance for the above risks of loss. Settled claims have not exceeded insurance coverage for the last three fiscal years.

Ottawa County Public Utilities System is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees and natural disasters. In order to minimize its exposure to these risks, Ottawa County Public Utility System participates in the Michigan County Road Commission Self-Insurance Pool. Settled claims relating to participation in Michigan County Road Commission Self-Insurance Pool have not exceeded the amount of insurance coverage in any of the past three fiscal years.

##### **D. Litigation**

In the normal course of its activities, the County is a party to various legal actions and subject to certain asserted and unasserted claims and assessments. Although some actions have been brought, the County has not experienced significant losses or costs. The County administration is of the opinion that the outcome of any pending actions will not have a material effect on the County's financial position or results of operations.

##### **E. Other post-employment benefits**

County of Ottawa:

The County administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides health insurance premiums for retirees until age 65 (medicare eligible). Benefit provisions are established through negotiations between the County and bargaining units and employee groups. Retirees pay a monthly amount based on coverage and an actuarially determined rate. The Retiree Health Plan does not issue a publicly available financial report and a legal trust has not yet been established for the plan.

For employees hired before January 1, 2008, the County offers health care benefits to retirees that they may purchase at the actuarially determined blended rate for current employees and retirees. In addition, the County provides certain post retirement health care benefits to unclassified employees and employees of the Police Officers Association of Michigan and the Command Officers Association of Michigan in accordance with their contracts in which the County will credit the retiree \$4 - \$10 for each year of service, to a maximum of \$100 - \$200 per month, to be applied toward health coverage through the County for the retiree and spouse until age 65. Employees hired

# COUNTY OF OTTAWA, MICHIGAN

## Notes to the Financial Statements

For the Year Ended December 31, 2007

### IV. OTHER INFORMATION (CONTINUED)

after December 31, 2007, may purchase health insurance benefits upon their retirement at the actuarially determined rate for retirees. The County's contribution is based on pay-as-you-go financing requirements. For the current year contributions were \$346,807. Current year contributions are not materially different from the estimated current year's annual required contribution (ARC).

The County's annual other post employment benefit (OPEB) cost (expense) is calculated base on the ARC, an amount actuarially determined in accordance with parameters of GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. The first actuarial valuation of the Retiree Health Plan was performed as of January 1, 2008 with the requirements of GASB Statement # 45 being implemented prospectively. Fiscal year 2008 is the first year for which an actuarially required contribution (ARC) has been determined. The current year's contribution was considered to be equal to actual plan costs (estimated current years ARC) based on evaluation of the aforementioned actuarial valuation. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's OPEB obligation to the plan. During 2008, the County intends to establish a legal trust to fully fund the OPEB liability.

Annual required OPEB contribution	\$ 346,807
Interest on net OPEB obligation	-
Adjustment to annual required contributions	-
	<u>346,807</u>
Estimated contributions made by the County	346,807
Increase in net OPEB obligation	-
New OPEB obligation, beginning of year	-
New OPEB obligation, end of year	-
	<u><u>\$ -</u></u>

#### Three Year Trend Information\*

Fiscal Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension Obligation
12/31/2007	\$346,807	100%	\$0

\* Actuarial data before 12/31/2007 is not available.

**COUNTY OF OTTAWA, MICHIGAN**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2007**

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**IV. OTHER INFORMATION (CONTINUED)**

**E. Other post-employment benefits (continued)**

**Schedule of Funding Progress \***

Actuarial Valuation Date	Market Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio Total	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2008	\$0	\$7,802,674	\$7,802,674	0.00%	\$42,248,922	18.5%

\*Actuarial data before 12/31/2007 is not available.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

In the January 1, 2008, actuarial valuation, the projected unit credit actuarial cost method, level dollar, closed amortization method, and an amortization period of 30 years were utilized. The actuarial assumptions included a 7% return on plan net assets, 3% inflation, with implicit subsidy provided.

## COUNTY OF OTTAWA, MICHIGAN

### Notes to the Financial Statements

For the Year Ended December 31, 2007

#### IV. OTHER INFORMATION (CONTINUED)

##### E. Other post-employment benefits (continued)

Ottawa County Road Commission:

The Ottawa County Road Commission administers a single-employer defined benefit healthcare plan (the Retiree Health Plan). The plan provides health insurance premiums for retirees until age 65 (Medicare eligible). Benefit provisions are established through negotiations between the Commission and bargaining units and employee groups. The Commission makes 100% of the premium payment to the plan. The Retiree Health Plan does not issue a publicly available financial report and a legal trust has not been established for the plan.

The Commission's contribution is based on pay-as-you-go financing requirements. For the current year contributions were \$89,211. Current year contributions are not materially different from the estimated current years ARC.

The Commission's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years. The first actuarial valuation of the Retiree Health Plan was performed as of January 1, 2008 with the requirements of GASB Statement # 45 being implemented prospectively. Fiscal year 2008 is the first year for which an actuarially required contribution (ARC) has been determined. The current year's contribution was considered to be equal to actual plan costs (estimated current years ARC) based on evaluation of the aforementioned actuarial valuation. The following table shows the components of the Commissions annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Commission OPEB obligation to the plan.

Annual required contribution	\$89,211
Interest on net OPEB obligation	0
Adjustment to annual required contribution	0
Annual OPEB cost (expense)	<u>89,211</u>
Contribution made	89,211
Increase in net OPEB obligation	0
Net OPEB obligation, beginning of year	0
Net OPEB obligation, end of year	<u><u>\$0</u></u>

**COUNTY OF OTTAWA, MICHIGAN**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2007**

**IV. OTHER INFORMATION (CONTINUED)**

**E. Other post-employment benefits (continued)**

Three-Year Trend Information			
Fiscal Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension Obligation
9/30/2008	\$ 943,400	100%	\$ -

Schedule of Funding Progress						
Actuarial Valuation Date	Market Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio Total	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2008	\$0	\$1,835,591	\$1,835,591	0%	\$8,232,000	22%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The Commission is currently funding the plan on a pay as you go basis.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

In the January 1, 2008, actuarial valuation, the projected unit credit actuarial cost method, level dollar, closed amortization method, and an amortization period of 30 years were utilized. The actuarial

## COUNTY OF OTTAWA, MICHIGAN

### Notes to the Financial Statements

For the Year Ended December 31, 2007

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#### IV. OTHER INFORMATION (CONTINUED)

##### E. Other post-employment benefits (continued)

assumptions included a 0% return on plan net assets as the plan is not funded, a discount rate of 4%, 10% inflation in 2008 graded to 5% in 2013, with implicit subsidy provided.

##### F. Related party transactions

At December 31, 2007, the County's financial statements included taxes receivable of \$4,125,683 and deferred revenue of \$4,261,781 relating to Ottawa County Central Dispatch Authority (OCCDA) property tax millage, which was levied for use in 2008. In addition, during the year ended December 31, 2007, Ottawa County provided operating grants of \$3,642,389 to OCCDA, \$31,581 of which had not yet been transferred as of 12/31/07.

The Drains assess the Ottawa County Road Commission (a component unit of Ottawa County) and Ottawa County (the primary government of which the Drain Commissioner is a component unit) for drain projects. During 2007 the following assessments were paid to the Drain Commissioner by:

Ottawa County	<u>\$219,386</u>
Ottawa County Road Commission	<u>\$ 65,628</u>

There are also assessments due from the Ottawa County Road Commission of \$19,524 which are included in amounts due from other governmental units. Ottawa County Public Utilities (OCPU) incurred expenses of \$567,000 for services and labor provided by the Ottawa County Road Commission which also provides fiscal and managerial services to OCPU. At year end, OCPU owed the Ottawa County Road Commission \$70,788 for these goods and services.

##### G. Subsequent Events

Subsequent to year end, Ottawa County Public Utilities issued \$985,000 of bonds for the construction of Grand Haven Charter Township improvements.

##### H. Restatements of Prior Year

The beginning fund balance of the Mental Health fund, a major fund of the Primary Government, has been decreased by \$744,138 to appropriately account for deferred revenues that were presented as reserved fund balance in previous years.

The beginning fund balance of the Ottawa County Central Dispatch Authority, a Component Unit of the County, has been reduced by \$73,092 to reflect accrued payroll costs as of December 31, 2006.

**COUNTY OF OTTAWA  
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2007

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for revenue from specific revenue sources (other than major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

Friend of the Court Fund (2160) - This Fund accounts for the operations of the Friend of the Court including the Co-op Reimbursement Grant, the Medical Support Enforcement Grant, and the 3% Friend of the Court incentive payments established under Act 297 of 1982, Section 2530.

9/30 Judicial Grants (2170) - This Fund accounts for miscellaneous grant revenue received from the State and other agencies for judicial programs.

Solid Waste Clean-Up Fund (2271) - This Fund was established to account for monies received from settlement of a claim. The monies are to be used exclusively for the clean-up of the Southwest Ottawa Landfill.

Landfill Tipping Fees Fund (2272) - This Fund was established to account for the County's share of the tipping fee surcharge of Ottawa County Farms landfill starting in 1991 in accordance with an agreement between Ottawa County, Sunset Waste System, Inc., and the Township of Polkton. The monies are to be used for implementation of the Solid Waste Management Plan.

Transportation System Fund (2320) - This Fund is used to account for a grant from the Michigan Department of Transportation to provide public transportation in concentrated areas for persons who are handicapped or who are sixty-five years of age or older.

Planning Commission Fund (2420) - This Fund was established by the County Board under MCLA 125. A planning commission was created to prepare and oversee a County Development Plan relative to the economic, social and physical development of the County.

Infrastructure Fund (2444) - This fund was established by the County Board to provide financial assistance to local units of government for water, sewer, road and bridge projects that are especially unique, non-routine, and out-of-the ordinary.

Homestead Property Tax (2550) – This fund was established as a result of the passage of Public Act 105 of 2003 which provides for the denial of homestead status by local governments, counties and/or State of Michigan. The County's share of interest on tax revenue collected under this statute is to be used solely for the administration of this program, and any unused funds remaining after a period of three years will lapse to the county general fund (MCL 211.7cc, as amended).

## **COUNTY OF OTTAWA**

### **NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2007

### **SPECIAL REVENUE FUNDS (CONTINUED)**

Register of Deeds Technology Fund (2560) – This Fund was established under Public Act 698 of 2002 to account for newly authorized additional recording fees effective March 31, 2003. The revenue collected is to be spent on technology upgrades.

Stabilization Fund (2570) - This Fund was established to assure the continued solid financial condition of the County in case of an emergency.

Prosecuting Attorney Grants Fund (2601) - This Fund is used to account for monies granted to the County by the State for prosecution against drug offenders.

Sheriff 9/30 Grant Programs Fund (2609) - This Fund accounts for miscellaneous grant revenue received by the Sheriff's department from the State for special purpose programs.

Community Oriented Policing Services (C.O.P.S.) Funds (2610) - These Funds account for Federal monies granted to the townships who contract with the County to improve the long-term ability of local law enforcement agencies public safety through innovative crime prevention, including community policing.

Emergency Medical Technician ("EMT") Holland-Park Township Fund (2640) - This Fund is used to account for monies received under contractual agreements with Holland and Park Townships. Ottawa County agrees to provide police protection and emergency medical services to the Townships on a cost-reimbursement basis.

Emergency Medical Technician ("EMT") Georgetown Township Fund (2650) - This Fund is used to account for monies received under contractual agreement with Georgetown Township. The County agrees to provide police protection and emergency medical services to the Township on a cost-reimbursement basis.

Sheriff Road Patrol Fund (2661) - This Fund accounts for monies granted to the County by the State for the purpose of providing additional police supervision of traffic safety and additional patrol of the roads and parks as described in Public Act 416 of 1978.

## COUNTY OF OTTAWA

### NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2007

#### SPECIAL REVENUE FUNDS (CONTINUED)

Law Library Fund (2690) - This Fund is used to account for monies received from the Library Penal Fine Fund in accordance with Public Act 18 of 1982 and appropriations from the County for the purpose of maintaining the County's law library.

Workforce Investment Act Funds (2740, 2741, 2742, 2743, 2744, 2748, and 2749) - These Funds are used to account for Federal funds which are received by the County under the Workforce Investment Act. These Funds are targeted for training and employment programs for the under employed and economically disadvantaged citizens.

Grant Programs - Pass Thru Fund (2750) - This Fund is used to account for monies received from State and Federal grants which are passed on to outside agencies through contractual agreements to carry out the grants intended purpose.

Emergency Feeding Fund (2800) - This Fund is used to account for monies received from the State for the purpose of distributing surplus food to the impoverished residents of the County.

Federal Emergency Management Agency Fund (2810) - This Fund is used to account for monies received through the Emergency Food and Shelter National Board program for utility payments to prevent utility disconnection or heating source loss in households that have exhausted all other resources and do not qualify for other Community Action emergency funds.

Community Corrections Fund (2850) - This Fund is used to account for State monies and fees received to enhance the delivery of adult probation services in the County. This fund also receives money from the County for a Domestic Violence Intervention Program.

Community Action Agency Fund (2870) - This Fund is used to account for monies received from the State to be applied to various community programs for the impoverished residents of the County.

Weatherization Fund (2890) - This Fund is used to account for monies received through a State grant which aids in weatherizing homes of the disadvantaged, the elderly and people in the poverty zone.

**COUNTY OF OTTAWA  
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2007

**SPECIAL REVENUE FUNDS (CONTINUED)**

Department of Human Services (2900) - This Fund is used primarily to account for monies from State and local funding sources and to assist with the welfare program which offers aid to disadvantaged individuals of Ottawa County.

Child Care Funds (2920 and 2921) - These Funds are used to account for foster child care in the County. This encompasses the Ottawa County Detention Center, which is a facility that houses juveniles on a short-term basis. The primary funding comes from the State and a County appropriation which is used to aid children who require placement outside of their home.

Soldiers' and Sailors' Relief Fund (2930) - This Fund is used to account for monies earmarked for indigent veterans and is mandated by State Law.

Veterans Trust Fund (2940) - This fund was established under Section 35.607 of the Compiled laws of 1970. It is used to account for monies received by the State and distributed to needy veterans.

Compensated Absences Fund (2980) - This Fund is used to account for future payments of accumulated sick pay of County employees under the sick days/short and long-term disability plan. This fund is also used to accrue vacation pay.

**DEBT SERVICE FUND**

Building Authority Fund (5690-5695) - This Fund was established to account for the accumulation of resources for payment of principal and interest on bonds issued to finance building projects for the County of Ottawa. Bonds have been issued for the following projects: 1985-Life Consultation Center; 1990-Ottawa County Central Dispatch Authority; 1992-Probate Court/Jail Complex; 1997-Jail addition and Sheriff and Administrative Annex; 2005- Holland District Court. A portion of the 1985 and 1990 bonds were refunded during 1993. A portion of the 1992 bonds were refunded during 1997; 2007-Grand Haven Courthouse. A portion of the 1997 bonds were refunded during 2005. Financing is provided by cash rental payments pursuant to lease agreements with the County of Ottawa.

**COUNTY OF OTTAWA  
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2007

**CAPITAL PROJECTS FUND**

Building Authority Fund (5690-5695) - This Fund was established to account for construction projects of the building authority. Financing is provided by bond proceeds, interest income, and occasionally State grants. This Fund records only those projects funded with bond proceeds. Other capital construction projects funded with cash are reported primarily in the Public Improvement Fund (Special Revenue Fund 2450). Projects at County park facilities are reported in the Parks and Recreation Fund (Special Revenue Fund 2081).

**PERMANENT FUND**

Cemetery Trust Fund (1500) - This Fund was established under State statute to care for cemetery plots of specific individuals who have willed monies in trust to the County for perpetual care of their gravesites.

**COUNTY OF OTTAWA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2007  
(with comparative totals for December 31, 2006)

Special Revenue

	Friend of the Court (2160)	9/30 Judicial Grants (2170)	Solid Waste Clean-Up (2271)	Landfill Tipping Fees (2272)	Transpor- tation System (2320)	Planning Commission (2420)	Infrastructure (2444)
<b>ASSETS</b>							
Cash and pooled investments			\$7,657,315	\$1,089,032	\$53,151	\$191,025	\$1,109,115
Investments							
Receivables (net of allowance for estimated uncollectibles):							
Accounts				46,330		3,460	1,438,524
Due from other funds			443,448				53,148
Due from other governmental units	\$295,590	\$129,117			41,482		
Inventory of supplies							
Prepaid expenditures							
Total assets	<u>\$295,590</u>	<u>\$129,117</u>	<u>\$8,100,763</u>	<u>\$1,135,362</u>	<u>\$94,633</u>	<u>\$194,485</u>	<u>\$2,600,787</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$51,933	\$10,998	\$101,621	\$82,528	\$68,846	\$4,261	
Due to other governmental units	648						
Interfund payable	67,490	118,119					
Advances from other governmental units							
Deferred revenue							
Total liabilities	<u>120,071</u>	<u>129,117</u>	<u>101,621</u>	<u>82,528</u>	<u>68,846</u>	<u>4,261</u>	
Fund balances:							
Reserved for inventories							
Reserved for perpetual care							
Reserved for infrastructure loans							\$1,438,524
Unreserved:							
Designated for construction							
Designated for register of deeds technology							
Designated for compensated absences							
Undesignated	175,519		7,999,142	1,052,834	25,787	190,224	1,162,263
Total fund balances	<u>175,519</u>		<u>7,999,142</u>	<u>1,052,834</u>	<u>25,787</u>	<u>190,224</u>	<u>2,600,787</u>
Total liabilities and fund balances	<u>\$295,590</u>	<u>\$129,117</u>	<u>\$8,100,763</u>	<u>\$1,135,362</u>	<u>\$94,633</u>	<u>\$194,485</u>	<u>\$2,600,787</u>

Special Revenue

Homestead Property Tax (2550)	Register of Deeds Technology (2560)	Stabilization (2570)	Prosecuting Attorney Grants (2601)	Sheriff 9/30 Grant Programs (2609)	COPS Universal (2610)	EMT Holland - Park Township (2640)	EMT Georgetown Township (2650)
\$120,227	\$378,074	\$8,232,069	\$20,839				
					\$31,968		
2,080	17,431		13,877	\$65,343	379,632		\$4,023
<u>\$122,307</u>	<u>\$395,505</u>	<u>\$8,232,069</u>	<u>\$34,716</u>	<u>\$65,343</u>	<u>\$411,600</u>	<u>Closed</u>	<u>\$4,023</u>
	\$21,940		\$9,624	\$24,850	\$50,378		
				37,889	213,572		\$4,023
					147,150		
	21,940		9,624	62,739	411,100		4,023
	373,565						
<u>\$122,307</u>		<u>\$8,232,069</u>	<u>25,092</u>	<u>2,604</u>	<u>500</u>		
<u>122,307</u>	<u>373,565</u>	<u>8,232,069</u>	<u>25,092</u>	<u>2,604</u>	<u>500</u>		
<u>\$122,307</u>	<u>\$395,505</u>	<u>\$8,232,069</u>	<u>\$34,716</u>	<u>\$65,343</u>	<u>\$411,600</u>	<u>Closed</u>	<u>\$4,023</u>

(Continued on next page)

**COUNTY OF OTTAWA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2007

(with comparative totals for December 31, 2006)

	Special Revenue					
	Sheriff Road Patrol (2661)	Law Library (2690)	Workforce Investment Act - ACP (2740)	Workforce Investment Act - Youth (2741)	Workforce Investment Act - Adult (2742)	Workforce Investment Act - 6/30 Grant Programs (2743)
<b>ASSETS</b>						
Cash and pooled investments		\$59,001				\$64,376
Investments						
Receivables (net of allowance for estimated uncollectibles):						
Accounts						3,812
Due from other funds						
Due from other governmental units	\$42,192		\$7,424	\$193,184	\$147,449	245,176
Inventory of supplies						2,407
Prepaid expenditures						
Total assets	<u>\$42,192</u>	<u>\$59,001</u>	<u>\$7,424</u>	<u>\$193,184</u>	<u>\$147,449</u>	<u>\$315,771</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$5,319	\$1,822	\$3,506	\$122,487	\$98,750	\$189,815
Due to other governmental units						
Interfund payable	36,873		2,970	70,697	48,188	
Advances from other governmental units						
Deferred revenue						
Total liabilities	<u>42,192</u>	<u>1,822</u>	<u>6,476</u>	<u>193,184</u>	<u>146,938</u>	<u>189,815</u>
Fund balances:						
Reserved for inventories						2,407
Reserved for perpetual care						
Reserved for infrastructure loans						
Unreserved:						
Designated for construction						
Designated for register of deeds technology						
Designated for compensated absences						
Undesignated		57,179	948		511	123,549
Total fund balances	<u></u>	<u>57,179</u>	<u>948</u>	<u></u>	<u>511</u>	<u>125,956</u>
Total liabilities and fund balances	<u>\$42,192</u>	<u>\$59,001</u>	<u>\$7,424</u>	<u>\$193,184</u>	<u>\$147,449</u>	<u>\$315,771</u>

Special Revenue								
Workforce Investment Act - 12/31 Grant Programs (2744)	Workforce Investment Act- 9/30 Grant Programs (2748)	Workforce Investment Act- 3/31 Grant Programs (2749)	Grant Programs - Pass Thru (2750)	Emergency Feeding (2800)	Federal Emergency Management Agency (2810)	Community Corrections (2850)	Community Action Agency (2870)	Weather- ization (2890)
			\$7,117	\$2,077		\$180,603	\$102,000	
			1,000			163,312	1,300	
\$189,405	\$243,412	\$7,064	18,549	24,858		51,271	46,304	\$20,935
3,862	312							
<u>\$193,267</u>	<u>\$243,724</u>	<u>\$7,064</u>	<u>\$26,666</u>	<u>\$26,935</u>	<u>None</u>	<u>\$395,186</u>	<u>\$149,604</u>	<u>\$20,935</u>
\$74,476	\$146,181	\$1,121	\$26,666	\$2,077		\$30,199	\$24,690	\$5,792
	1,055						44	
104,751	91,642	5,943						14,975
						127,126	574	
<u>179,227</u>	<u>238,878</u>	<u>7,064</u>	<u>26,666</u>	<u>2,077</u>		<u>157,325</u>	<u>25,308</u>	<u>20,767</u>
				24,858				
14,040	4,846					237,861	124,296	168
14,040	4,846			24,858		237,861	124,296	168
<u>\$193,267</u>	<u>\$243,724</u>	<u>\$7,064</u>	<u>\$26,666</u>	<u>\$26,935</u>	<u>None</u>	<u>\$395,186</u>	<u>\$149,604</u>	<u>\$20,935</u>

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**COUNTY OF OTTAWA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2007

(with comparative totals for December 31, 2006)

Special Revenue

	Department of Human Services (2900)	Child Care - Circuit Court (2920)	Child Care - Social Services (2921)	Soldiers' and Sailors' Relief (2930)	Veterans Trust (2940)	Compensated Absences (2980)
<b>ASSETS</b>						
Cash and pooled investments	\$789,848	\$778,124	\$73,384		\$511	\$3,834,669
Investments						
Receivables (net of allowance for estimated uncollectibles):						
Accounts	1,386	10,081				
Due from other funds						220,595
Due from other governmental units	6,608	1,162,458	402			
Inventory of supplies						
Prepaid expenditures		324				
Total assets	<u>\$797,842</u>	<u>\$1,950,987</u>	<u>\$73,786</u>	<u>None</u>	<u>\$511</u>	<u>\$4,055,264</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$25,581	\$330,175			\$85	\$39,486
Due to other governmental units						
Interfund payable						
Advances from other governmental units	22,000					
Deferred revenue	5,000					
Total liabilities	<u>52,581</u>	<u>330,175</u>			<u>85</u>	<u>39,486</u>
Fund balances:						
Reserved for inventories						
Reserved for perpetual care						
Reserved for infrastructure loans						
Unreserved:						
Designated for construction						
Designated for register of deeds technology						
Designated for compensated absences						2,865,789
Undesignated	745,261	1,620,812	\$73,786		426	1,149,989
Total fund balances	<u>745,261</u>	<u>1,620,812</u>	<u>73,786</u>		<u>426</u>	<u>4,015,778</u>
Total liabilities and fund balances	<u>\$797,842</u>	<u>\$1,950,987</u>	<u>\$73,786</u>	<u>None</u>	<u>\$511</u>	<u>\$4,055,264</u>

Special Revenue	Debt Service	Capital Projects	Permanent	Total Nonmajor Governmental Funds	
	Ottawa County Building Authority (5690-5695)	Ottawa County Building Authority (5690-5695)	Cemetery Trust (1500)	2007	2006
Total					
\$24,742,557	\$11,101	\$5,980,669	\$266 5,770	\$30,734,593 5,770	\$24,100,543 293,816
1,701,173				1,701,173	1,888,128
736,702				736,702	553,593
3,310,897				3,310,897	3,090,406
27,265				27,265	19,595
4,498				4,498	22,925
<u>\$30,523,092</u>	<u>\$11,101</u>	<u>\$5,980,669</u>	<u>\$6,036</u>	<u>\$36,520,898</u>	<u>\$29,969,006</u>
\$1,555,207	\$300	\$1,213,687		\$2,769,194	\$1,643,476
1,747				1,747	11,184
817,132				817,132	1,002,818
169,150				169,150	192,803
132,700				132,700	2,972
<u>2,675,936</u>	<u>300</u>	<u>1,213,687</u>		<u>3,889,923</u>	<u>2,853,253</u>
27,265				27,265	42,520
			\$5,770	5,770	5,770
1,438,524				1,438,524	1,710,952
					253,715
373,565				373,565	238,038
2,865,789				2,865,789	2,994,318
23,142,013	10,801	4,766,982	266	27,920,062	21,870,440
<u>27,847,156</u>	<u>10,801</u>	<u>4,766,982</u>	<u>6,036</u>	<u>32,630,975</u>	<u>27,115,753</u>
<u>\$30,523,092</u>	<u>\$11,101</u>	<u>\$5,980,669</u>	<u>\$6,036</u>	<u>\$36,520,898</u>	<u>\$29,969,006</u>

(Concluded)

**COUNTY OF OTTAWA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2007  
(with comparative totals for the year ended December 31, 2006)

	Special Revenue						
	Friend of the Court (2160)	9/30 Judicial Grants (2170)	Solid Waste Clean-Up (2271)	Landfill Tipping Fees (2272)	Transpor- tation System (2320)	Planning Commission (2420)	Infrastructure (2444)
Revenues:							
Taxes							
Intergovernmental revenues	\$2,057,326	\$266,186			\$157,569	\$3,703	
Charges for services	240,468			\$390,402			\$29,836
Fines and forfeits							
Interest on investments			\$443,448				100,750
Rental income							
Other				21,189		30	
Total revenues	<u>2,297,794</u>	<u>266,186</u>	<u>443,448</u>	<u>411,591</u>	<u>157,569</u>	<u>3,733</u>	<u>130,586</u>
Expenditures:							
Current operations:							
Judicial	2,845,136	298,576					
General government							
Public safety							
Public works			309,356	516,243	157,569		
Health and welfare							
Community and economic development						27,261	
Debt service							
Capital outlay							
Total expenditures	<u>2,845,136</u>	<u>298,576</u>	<u>309,356</u>	<u>516,243</u>	<u>157,569</u>	<u>27,261</u>	
Revenues over (under) expenditures	<u>(547,342)</u>	<u>(32,390)</u>	<u>134,092</u>	<u>(104,652)</u>		<u>(23,528)</u>	<u>130,586</u>
Other financing sources (uses):							
Transfers in (out):							
General Fund	722,861	32,390				48,995	
Public Improvement							
Community Action Agency							
Workforce Investment Act 12/31 Grant Programs							
Issuance of bonds							
Premium on bonds issued							
Total other financing sources (uses)	<u>722,861</u>	<u>32,390</u>				<u>48,995</u>	
Net change in fund balances	175,519		134,092	(104,652)		25,467	130,586
Fund balances, beginning of year			7,865,050	1,157,486	25,787	164,757	2,470,201
Fund balances, end of year	\$175,519	None	\$7,999,142	\$1,052,834	\$25,787	\$190,224	\$2,600,787

Special Revenue

Homestead Property Tax (2550)	Register of Deeds Technology (2560)	Stabilization (2570)	Prosecuting Attorney Grants (2601)	Sheriff 9/30 Grant Programs (2609)	COPS Universal (2610)	EMT Holland - Park Township (2640)	EMT Georgetown Township (2650)
\$12,271			\$140,400	\$859,318	\$2,294,781		\$531,108
	\$254,395						
2,080	17,431						
			360				
14,351	271,826		140,760	859,318	2,294,781		531,108
530	136,299		178,221	859,466	2,510,138		531,108
530	136,299		178,221	859,466	2,510,138		531,108
13,821	135,527		(37,461)	(148)	(215,357)		
		\$359,719	37,461	2,752	215,357		
		359,719	37,461	2,752	215,357		
13,821	135,527	359,719		2,604			
108,486	238,038	7,872,350	25,092		500		
\$122,307	\$373,565	\$8,232,069	\$25,092	\$2,604	\$500	Closed	None

(Continued on next page)

**COUNTY OF OTTAWA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2007  
(with comparative totals for the year ended December 31, 2006)

	Special Revenue Funds						
	Sheriff Road Patrol (2661)	Law Library (2690)	Workforce Investment Act - ACP (2740)	Workforce Investment Act - Youth (2741)	Workforce Investment Act - Adult (2742)	Workforce Investment Act - 6/30 Grant Programs (2743)	Workforce Investment Act - 12/31 Grant Programs (2744)
Revenues:							
Taxes							
Intergovernmental revenues	\$263,166		\$194,079	\$677,241	\$488,996	\$1,514,355	\$259,484
Charges for services							13,953
Fines and forfeits		\$6,500					
Interest on investments							
Rental income							
Other							56,303
Total revenues	<u>263,166</u>	<u>6,500</u>	<u>194,079</u>	<u>677,241</u>	<u>488,996</u>	<u>1,514,355</u>	<u>329,740</u>
Expenditures:							
Current operations:							
Judicial		31,902					
General government							
Public safety	294,454						
Public works							
Health and welfare			194,079	677,241	488,996	1,510,864	325,803
Community and economic development							
Debt service							
Capital outlay							
Total expenditures	<u>294,454</u>	<u>31,902</u>	<u>194,079</u>	<u>677,241</u>	<u>488,996</u>	<u>1,510,864</u>	<u>325,803</u>
Revenues over (under) expenditures	<u>(31,288)</u>	<u>(25,402)</u>				3,491	3,937
Other financing sources (uses):							
Transfers in (out):							
General Fund	31,288	31,000					
Public Improvement							
Community Action Agency							(35,397)
Workforce Investment Act 12/31 Grant Programs							
Issuance of bonds							
Premium on bonds issued							
Total other financing sources (uses)	<u>31,288</u>	<u>31,000</u>					<u>(35,397)</u>
Net change in fund balances		5,598				3,491	(31,460)
Fund balances, beginning of year		51,581	948		511	122,465	45,500
Fund balances, end of year	<u>None</u>	<u>\$57,179</u>	<u>\$948</u>	<u>None</u>	<u>\$511</u>	<u>\$125,956</u>	<u>\$14,040</u>

Special Revenue							
Workforce Investment Act - 9/30 Grant Programs (2748)	Workforce Investment Act - 3/31 Grant Programs (2749)	Grant Programs - Pass Thru (2750)	Emergency Feeding (2800)	Federal Emergency Management Agency (2810)	Community Corrections (2850)	Community Action Agency (2870)	Weather- ization (2890)
\$1,317,551	\$24,152	\$105,118	\$172,327	\$20,000	\$305,120 182,418	\$493,263	\$254,073
					10,943	24,757	
<u>1,317,551</u>	<u>24,152</u>	<u>105,118</u>	<u>172,327</u>	<u>20,000</u>	<u>498,481</u>	<u>518,020</u>	<u>254,073</u>
		58,200			987,775		
		70,053					
1,340,356	24,152		165,131	20,000		550,845	254,073
<u>1,340,356</u>	<u>24,152</u>	<u>128,253</u>	<u>165,131</u>	<u>20,000</u>	<u>987,775</u>	<u>550,845</u>	<u>254,073</u>
<u>(22,805)</u>		<u>(23,135)</u>	<u>7,196</u>		<u>(489,294)</u>	<u>(32,825)</u>	
		23,135			432,089	29,000	
						35,397	
		23,135			432,089	64,397	
(22,805)			7,196		(57,205)	31,572	
<u>27,651</u>			<u>17,662</u>		<u>295,066</u>	<u>92,724</u>	<u>168</u>
<u>\$4,846</u>	<u>None</u>	<u>None</u>	<u>\$24,858</u>	<u>None</u>	<u>\$237,861</u>	<u>\$124,296</u>	<u>\$168</u>

(Continued on next page)

**COUNTY OF OTTAWA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2007  
(with comparative totals for the year ended December 31, 2006)

	Department of Human Services (2900)	Child Care - Circuit Court (2920)	Child Care - Social Services (2921)	Soldiers' and Sailors' Relief (2930)	Veterans Trust (2940)	Compensated Absences (2980)
<b>Revenues:</b>						
Taxes						
Intergovernmental revenues	\$215,761	\$3,804,722	\$22,397		\$28,376	
Charges for services	33,153					\$38,818
Fines and forfeits						
Interest on investments						220,595
Rental income						
Other	832	594,836				
<b>Total revenues</b>	<b>249,746</b>	<b>4,399,558</b>	<b>22,397</b>		<b>28,376</b>	<b>259,413</b>
<b>Expenditures:</b>						
Current operations:						
Judicial						
General government						198,011
Public safety						
Public works						
Health and welfare	899,843	8,428,880	44,062	\$30,485	28,611	
Community and economic development						
Debt service						
Capital outlay						
<b>Total expenditures</b>	<b>899,843</b>	<b>8,428,880</b>	<b>44,062</b>	<b>30,485</b>	<b>28,611</b>	<b>198,011</b>
<b>Revenues over (under) expenditures</b>	<b>(650,097)</b>	<b>(4,029,322)</b>	<b>(21,665)</b>	<b>(30,485)</b>	<b>(235)</b>	<b>61,402</b>
<b>Other financing sources (uses):</b>						
Transfers in (out):						
General Fund	729,070	4,081,921	21,125	30,485		
Public Improvement						
Community Action Agency						
Workforce Investment Act 12/31 Grant Programs						
Issuance of bonds						
Premium on bonds issued						
<b>Total other financing sources (uses)</b>	<b>729,070</b>	<b>4,081,921</b>	<b>21,125</b>	<b>30,485</b>		
<b>Net change in fund balances</b>	<b>78,973</b>	<b>52,599</b>	<b>(540)</b>		<b>(235)</b>	<b>61,402</b>
<b>Fund balances, beginning of year</b>	<b>666,288</b>	<b>1,568,213</b>	<b>74,326</b>		<b>661</b>	<b>3,954,376</b>
<b>Fund balances, end of year</b>	<b>\$745,261</b>	<b>\$1,620,812</b>	<b>\$73,786</b>	<b>None</b>	<b>\$426</b>	<b>\$4,015,778</b>

Special Revenue	Debt Service Ottawa County Building Authority (5690-5695)	Capital Projects Ottawa County Building Authority (5690-5695)	Permanent Cemetery Trust (1500)	Total Nonmajor Governmental Funds	
Total				2007	2006
\$12,271				\$12,271	\$12,127
16,470,572				16,470,572	15,323,287
1,183,443				1,183,443	1,364,454
6,500				6,500	6,500
784,304	\$95	\$81,615	\$266	866,280	671,757
	2,769,438			2,769,438	2,439,503
709,250				709,250	708,170
19,166,340	2,769,533	81,615	266	22,017,754	20,525,798
4,221,589				4,221,589	3,969,403
513,061				513,061	969,100
4,265,219				4,265,219	3,764,835
983,168				983,168	766,500
14,983,421				14,983,421	14,654,710
27,261				27,261	39,136
	2,769,438			2,769,438	2,453,395
		5,473,205		5,473,205	2,251,029
24,993,719	2,769,438	5,473,205		33,236,362	28,868,108
(5,827,379)	95	(5,391,590)	266	(11,218,608)	(8,342,310)
6,828,648				6,828,648	6,577,361
	325	(173,994)		(173,669)	68,161
(35,397)				(35,397)	55,742
35,397				35,397	(55,742)
		10,000,000		10,000,000	
		78,851		78,851	
6,828,648	325	9,904,857		16,733,830	6,645,522
1,001,269	420	4,513,267	266	5,515,222	(1,696,788)
26,845,887	10,381	253,715	5,770	27,115,753	28,812,541
\$27,847,156	\$10,801	\$4,766,982	\$6,036	\$32,630,975	\$27,115,753

(Concluded)

**COUNTY OF OTTAWA**

**FRIEND OF THE COURT SPECIAL REVENUE FUND (2160) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$1,925,007	\$2,119,547	\$2,057,326	(\$62,221)	\$1,796,517
Charges for services	219,558	224,796	240,468	15,672	245,204
Interest on investments					
Licenses and permits					
Rental income					
Other					
<b>Total revenues</b>	<b>2,144,565</b>	<b>2,344,343</b>	<b>2,297,794</b>	<b>(46,549)</b>	<b>2,041,721</b>
<b>Expenditures:</b>					
Current operations:					
Personnel services	2,292,381	2,338,300	2,295,449	42,851	2,128,068
Supplies	57,293	67,718	60,600	7,118	76,884
Other services and charges	514,889	506,238	489,087	17,151	433,808
Capital outlay					
<b>Total expenditures</b>	<b>2,864,563</b>	<b>2,912,256</b>	<b>2,845,136</b>	<b>67,120</b>	<b>2,638,760</b>
<b>Revenues over (under) expenditures</b>	<b>(719,998)</b>	<b>(567,913)</b>	<b>(547,342)</b>	<b>20,571</b>	<b>(597,039)</b>
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	719,998	744,880	722,861	(22,019)	597,039
<b>Total other financing sources (uses)</b>	<b>719,998</b>	<b>744,880</b>	<b>722,861</b>	<b>(22,019)</b>	<b>597,039</b>
<b>Net change in fund balance</b>		<b>176,967</b>	<b>175,519</b>	<b>(1,448)</b>	
<b>Fund balance, beginning of year</b>					
<b>Fund balance, end of year</b>	<b>None</b>	<b>\$176,967</b>	<b>\$175,519</b>	<b>(\$1,448)</b>	<b>None</b>

**COUNTY OF OTTAWA**

**9/30 JUDICIAL GRANTS SPECIAL REVENUE FUND (2170) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$300,837	\$273,970	\$266,186	(\$7,784)	\$173,609
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	300,837	273,970	266,186	(7,784)	173,609
<b>Expenditures:</b>					
Current operations:					
Personnel services	257,926	263,165	254,325	8,840	179,787
Supplies	58,744	38,546	34,658	3,888	15,692
Other services and charges	40,575	16,490	9,593	6,897	11,771
Capital outlay					
Total expenditures	357,245	318,201	298,576	19,625	207,250
Revenues over (under) expenditures	(56,408)	(44,231)	(32,390)	11,841	(33,641)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	56,408	44,231	32,390	(11,841)	33,641
Total other financing sources (uses)	56,408	44,231	32,390	(11,841)	33,641
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

**COUNTY OF OTTAWA**

**SOLID WASTE CLEAN-UP SPECIAL REVENUE FUND (2271) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues					
Charges for services					
Interest on investments	\$145,627	\$301,114	\$443,448	\$142,334	\$335,869
Licenses and permits					
Rental income					
Other					5,803
Total revenues	145,627	301,114	443,448	142,334	341,672
<b>Expenditures:</b>					
Current operations:					
Personnel services					
Supplies					
Other services and charges	152,000	140,030	130,388	9,642	131,613
Capital outlay	1,598,155	193,717	178,968	14,749	149,106
Total expenditures	1,750,155	333,747	309,356	24,391	280,719
Revenues over (under) expenditures	(1,604,528)	(32,633)	134,092	166,725	60,953
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance	(1,604,528)	(32,633)	134,092	166,725	60,953
Fund balance, beginning of year	7,865,050	7,865,050	7,865,050		7,804,097
Fund balance, end of year	\$6,260,522	\$7,832,417	\$7,999,142	\$166,725	\$7,865,050

**COUNTY OF OTTAWA**

**LANDFILL TIPPING FEES SPECIAL REVENUE FUND (2272) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues					
Charges for services	\$380,000	\$398,000	\$390,402	(\$7,598)	\$434,626
Interest on investments					
Licenses and permits					
Rental income					
Other	13,806	21,429	21,189	(240)	16,084
<b>Total revenues</b>	<b>393,806</b>	<b>419,429</b>	<b>411,591</b>	<b>(7,838)</b>	<b>450,710</b>
<b>Expenditures:</b>					
Current operations:					
Personnel services	273,712	252,047	218,683	33,364	188,119
Supplies	11,630	31,630	28,598	3,032	13,282
Other services and charges	180,633	169,989	108,636	61,353	138,818
Capital outlay		149,053	160,326	(11,273)	7,208
<b>Total expenditures</b>	<b>465,975</b>	<b>602,719</b>	<b>516,243</b>	<b>86,476</b>	<b>347,427</b>
<b>Revenues over (under) expenditures</b>	<b>(72,169)</b>	<b>(183,290)</b>	<b>(104,652)</b>	<b>78,638</b>	<b>103,283</b>
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
<b>Total other financing sources (uses)</b>					
<b>Net change in fund balance</b>	<b>(72,169)</b>	<b>(183,290)</b>	<b>(104,652)</b>	<b>78,638</b>	<b>103,283</b>
<b>Fund balance, beginning of year</b>	<b>1,157,486</b>	<b>1,157,486</b>	<b>1,157,486</b>		<b>1,054,203</b>
<b>Fund balance, end of year</b>	<b>\$1,085,317</b>	<b>\$974,196</b>	<b>\$1,052,834</b>	<b>\$78,638</b>	<b>\$1,157,486</b>

**COUNTY OF OTTAWA**

**TRANSPORTATION SYSTEM SPECIAL REVENUE FUND (2320) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$338,354	\$157,569	\$157,569		\$138,354
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	338,354	157,569	157,569		138,354
<b>Expenditures:</b>					
Current operations:					
Personnel services					
Supplies					
Other services and charges	338,354	157,569	157,569		138,354
Capital outlay					
Total expenditures	338,354	157,569	157,569		138,354
Revenues over (under) expenditures					
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance					
Fund balance, beginning of year	25,787	25,787	25,787		25,787
Fund balance, end of year	\$25,787	\$25,787	\$25,787	None	\$25,787

**COUNTY OF OTTAWA**

**PLANNING COMMISSION SPECIAL REVENUE FUND (2420) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$17,500	\$6,053	\$3,703	(\$2,350)	\$5,697
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other	20	30	30		
<b>Total revenues</b>	<b>17,520</b>	<b>6,083</b>	<b>3,733</b>	<b>(2,350)</b>	<b>5,697</b>
<b>Expenditures:</b>					
Current operations:					
Personnel services	1,129	889	697	192	\$766
Supplies	8,787	8,041	3,912	4,129	4,366
Other services and charges	115,319	35,399	22,652	12,747	34,004
Capital outlay					
<b>Total expenditures</b>	<b>125,235</b>	<b>44,329</b>	<b>27,261</b>	<b>17,068</b>	<b>39,136</b>
<b>Revenues over (under) expenditures</b>	<b>(107,715)</b>	<b>(38,246)</b>	<b>(23,528)</b>	<b>14,718</b>	<b>(33,439)</b>
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	48,995	48,995	48,995		31,782
<b>Total other financing sources (uses)</b>	<b>48,995</b>	<b>48,995</b>	<b>48,995</b>		<b>31,782</b>
<b>Net change in fund balance</b>	<b>(58,720)</b>	<b>10,749</b>	<b>25,467</b>	<b>14,718</b>	<b>(1,657)</b>
<b>Fund balance, beginning of year</b>	<b>164,757</b>	<b>164,757</b>	<b>164,757</b>		<b>166,414</b>
<b>Fund balance, end of year</b>	<b>\$106,037</b>	<b>\$175,506</b>	<b>\$190,224</b>	<b>\$14,718</b>	<b>\$164,757</b>

**COUNTY OF OTTAWA**

**INFRASTRUCTURE SPECIAL REVENUE FUND (2444) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues					
Charges for services	\$29,836	\$29,836	\$29,836		\$31,133
Interest on investments	72,789	90,210	100,750	\$10,540	94,706
Licenses and permits					
Rental income					
Other					
Total revenues	102,625	120,046	130,586	10,540	125,839
<b>Expenditures:</b>					
Current operations:					
Personnel services					
Supplies					
Other services and charges	34,500				600,000
Capital outlay					
Total expenditures	34,500				600,000
Revenues over (under) expenditures	68,125	120,046	130,586	10,540	(474,161)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
Infrastructure					
Total other financing sources (uses)					
Net change in fund balance	68,125	120,046	130,586	10,540	(474,161)
Fund balance, beginning of year	2,470,201	2,470,201	2,470,201		2,944,362
Fund balance, end of year	\$2,538,326	\$2,590,247	\$2,600,787	\$10,540	\$2,470,201

**COUNTY OF OTTAWA**

**HOMESTEAD PROPERTY TAX SPECIAL REVENUE FUND (2550) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Amended Budget	Actual	Variance	Actual
Revenues:					
Taxes	\$35,000	\$15,000	\$12,271	(\$2,729)	\$12,127
Intergovernmental revenues					
Charges for services					
Interest on investments		4,500	2,080	(2,420)	
Licenses and permits					
Rental income					
Other					
Total revenues	35,000	19,500	14,351	(5,149)	12,127
Expenditures:					
Personnel services					
Supplies	500	530	530		500
Other services and charges					
Capital outlay					
Total expenditures	500	530	530		500
Revenues over (under) expenditures	34,500	18,970	13,821	(5,149)	11,627
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance	34,500	18,970	13,821	(5,149)	11,627
Fund balance, beginning of year	108,486	108,486	108,486		96,859
Fund balance, end of year	<u>\$142,986</u>	<u>\$127,456</u>	<u>\$122,307</u>	<u>(\$5,149)</u>	<u>\$108,486</u>

**COUNTY OF OTTAWA**

**REGISTER OF DEEDS TECHNOLOGY SPECIAL REVENUE FUND (2560) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Amended Budget	Actual	Variance	Actual
Revenues:					
Intergovernmental revenues					
Charges for services	\$280,000	\$280,000	\$254,395	(\$25,605)	\$268,845
Interest on investments	4,991	4,991	17,431	12,440	8,199
Licenses and permits					
Rental income					
Other					
Total revenues	284,991	284,991	271,826	(13,165)	277,044
Expenditures:					
Personnel services					
Supplies	2,000	2,000	1,467	533	836
Other services and charges	275,810	244,610	134,832	109,778	147,048
Capital outlay					
Total expenditures	277,810	246,610	136,299	110,311	147,884
Revenues over (under) expenditures	7,181	38,381	135,527	97,146	129,160
Other financing sources (uses):					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance	7,181	38,381	135,527	97,146	129,160
Fund balance, beginning of year	238,038	238,038	238,038		108,878
Fund balance, end of year	\$245,219	\$276,419	\$373,565	\$97,146	\$238,038

**COUNTY OF OTTAWA**

**STABILIZATION SPECIAL REVENUE FUND (2570) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues					
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues					
<b>Expenditures:</b>					
Current operations:					
Personnel services					
Supplies					
Other services and charges					
Capital outlay					
Total expenditures					
Revenues over (under) expenditures					
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund			\$359,719	\$359,719	\$268,790
Total other financing sources (uses)			359,719	359,719	268,790
Net change in fund balance			359,719	359,719	268,790
Fund balance, beginning of year	\$7,872,350	\$7,872,350	7,872,350		7,603,560
Fund balance, end of year	<u>\$7,872,350</u>	<u>\$7,872,350</u>	<u>\$8,232,069</u>	<u>\$359,719</u>	<u>\$7,872,350</u>

**COUNTY OF OTTAWA**

**PROSECUTING ATTORNEY GRANTS SPECIAL REVENUE FUND (2601) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$140,400	\$140,400	\$140,400		\$139,000
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other	425	425	360	(\$65)	302
Total revenues	140,825	140,825	140,760	(65)	139,302
<b>Expenditures:</b>					
Current operations:					
Personnel services	170,061	169,846	160,356	9,490	160,803
Supplies	15,122	15,122	13,012	2,110	13,082
Other services and charges	5,147	5,362	4,853	509	3,640
Capital outlay					
Total expenditures	190,330	190,330	178,221	12,109	177,525
Revenues over (under) expenditures	(49,505)	(49,505)	(37,461)	12,044	(38,223)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	49,505	49,505	37,461	(12,044)	38,223
Total other financing sources (uses)	49,505	49,505	37,461	(12,044)	38,223
Net change in fund balance					
Fund balance, beginning of year	25,092	25,092	25,092		25,092
Fund balance, end of year	\$25,092	\$25,092	\$25,092	None	\$25,092

**COUNTY OF OTTAWA**

**SHERIFF 9/30 GRANT PROGRAMS SPECIAL REVENUE FUND (2609) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$68,000	\$963,895	\$859,318	(\$104,577)	\$379,837
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	68,000	963,895	859,318	(104,577)	379,837
<b>Expenditures:</b>					
Current operations:					
Personnel services	31,900	64,098	55,606	8,492	79,083
Supplies	1,167	227,458	167,537	59,921	193,875
Other services and charges	14,933	49,912	15,805	34,107	24,667
Capital outlay	22,000	624,427	620,518	3,909	84,206
Total expenditures	70,000	965,895	859,466	106,429	381,831
Revenues over (under) expenditures	(2,000)	(2,000)	(148)	1,852	(1,994)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	2,000	2,000	2,752	752	1,994
Total other financing sources (uses)	2,000	2,000	2,752	752	1,994
Net change in fund balance			2,604		
Fund balance, beginning of year					
Fund balance, end of year	None	None	\$2,604	None	None

**COUNTY OF OTTAWA**

**COPS UNIVERSAL SPECIAL REVENUE FUND (2610) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$1,643,679	\$2,587,845	\$2,294,781	(\$293,064)	\$1,414,883
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other		493		(493)	533
<b>Total revenues</b>	<b>1,643,679</b>	<b>2,588,338</b>	<b>2,294,781</b>	<b>(293,557)</b>	<b>1,415,416</b>
<b>Expenditures:</b>					
Current operations:					
Personnel services	1,564,258	2,365,908	2,141,390	224,518	1,384,546
Supplies	57,425	101,810	79,809	22,001	36,851
Other services and charges	267,613	366,237	288,939	77,298	198,811
Capital outlay					
<b>Total expenditures</b>	<b>1,889,296</b>	<b>2,833,955</b>	<b>2,510,138</b>	<b>323,817</b>	<b>1,620,208</b>
<b>Revenues over (under) expenditures</b>	<b>(245,617)</b>	<b>(245,617)</b>	<b>(215,357)</b>	<b>30,260</b>	<b>(204,792)</b>
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	245,617	245,617	215,357	(30,260)	205,093
<b>Total other financing sources (uses)</b>	<b>245,617</b>	<b>245,617</b>	<b>215,357</b>	<b>(30,260)</b>	<b>205,093</b>
<b>Net change in fund balance</b>					<b>301</b>
<b>Fund balance, beginning of year</b>	<b>500</b>	<b>500</b>	<b>500</b>		<b>199</b>
<b>Fund balance, end of year</b>	<b>\$500</b>	<b>\$500</b>	<b>\$500</b>	<b>None</b>	<b>\$500</b>

**COUNTY OF OTTAWA**

**EMT HOLLAND-PARK TOWNSHIP SPECIAL REVENUE FUND (2640) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				
	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2006 Actual</u>
<b>Revenues:</b>					
Intergovernmental revenues	\$907,621				\$768,903
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	<u>907,621</u>				<u>768,903</u>
<b>Expenditures:</b>					
Current operations:					
Personnel services	798,488				705,171
Supplies	23,917				10,557
Other services and charges	85,216				53,175
Capital outlay					
Total expenditures	<u>907,621</u>				<u>768,903</u>
Revenues over (under) expenditures					
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	<u>None</u>	<u>Closed</u>	<u>Closed</u>	<u>Closed</u>	<u>None</u>

**COUNTY OF OTTAWA**

**EMT GEORGETOWN TOWNSHIP SPECIAL REVENUE FUND (2650) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$734,928	\$531,118	\$531,108	(\$10)	\$658,011
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
<b>Total revenues</b>	<b>734,928</b>	<b>531,118</b>	<b>531,108</b>	<b>(10)</b>	<b>658,011</b>
<b>Expenditures:</b>					
Current operations:					
Personnel services	612,444	448,994	448,985	9	557,832
Supplies	22,137	14,302	14,301	1	17,658
Other services and charges	100,347	67,822	67,822		82,521
Capital outlay					
<b>Total expenditures</b>	<b>734,928</b>	<b>531,118</b>	<b>531,108</b>	<b>10</b>	<b>658,011</b>
<b>Revenues over (under) expenditures</b>					
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
<b>Total other financing sources (uses)</b>					
<b>Net change in fund balance</b>					
<b>Fund balance, beginning of year</b>					
<b>Fund balance, end of year</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>

**COUNTY OF OTTAWA**

**SHERIFF ROAD PATROL SPECIAL REVENUE FUND (2661) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$263,166	\$263,166	\$263,166		\$253,631
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	263,166	263,166	263,166		253,631
<b>Expenditures:</b>					
Current operations:					
Personnel services	258,071	256,607	248,731	\$7,876	239,602
Supplies	4,060	3,934	2,844	1,090	1,866
Other services and charges	44,682	46,272	42,879	3,393	35,766
Capital outlay					
Total expenditures	306,813	306,813	294,454	12,359	277,234
Revenues over (under) expenditures	(43,647)	(43,647)	(31,288)	12,359	(23,603)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	43,647	43,647	31,288	(12,359)	23,603
Total other financing sources (uses)	43,647	43,647	31,288	(12,359)	23,603
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

**COUNTY OF OTTAWA**

**LAW LIBRARY SPECIAL REVENUE FUND (2690) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues					
Charges for services					
Fines and forfeits	\$6,500	\$6,500	\$6,500		\$6,500
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	6,500	6,500	6,500		6,500
<b>Expenditures:</b>					
Current operations:					
Personnel services					
Supplies	37,500	37,500	31,902	\$5,598	26,708
Other services and charges					
Capital outlay					
Total expenditures	37,500	37,500	31,902	5,598	26,708
Revenues over (under) expenditures	(31,000)	(31,000)	(25,402)	5,598	(20,208)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	31,000	31,000	31,000		33,125
Total other financing sources (uses)	31,000	31,000	31,000		33,125
Net change in fund balance			5,598	5,598	12,917
Fund balance, beginning of year	51,581	51,581	51,581		38,664
Fund balance, end of year	<u>\$51,581</u>	<u>\$51,581</u>	<u>\$57,179</u>	<u>\$5,598</u>	<u>\$51,581</u>

**COUNTY OF OTTAWA**

**WORKFORCE INVESTMENT ACT - ADMINISTRATIVE COST POOL SPECIAL REVENUE FUND (2740) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended June 30, 2007  
(with comparative actual amounts for the year ended June 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$193,170	\$203,545	\$194,079	(\$9,466)	\$160,151
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	193,170	203,545	194,079	(9,466)	160,151
<b>Expenditures:</b>					
Current operations:					
Personnel services	133,031	132,631	133,577	(946)	84,678
Supplies	10,214	10,214	7,512	2,702	3,513
Other services and charges	49,925	50,300	42,868	7,432	71,960
Capital outlay		10,400	10,122	278	
Total expenditures	193,170	203,545	194,079	9,466	160,151
Revenues over (under) expenditures					
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance					
Fund balance, beginning of year	948	948	948		948
Fund balance, end of year	<u>\$948</u>	<u>\$948</u>	<u>\$948</u>	<u>None</u>	<u>\$948</u>

**COUNTY OF OTTAWA**

**WORKFORCE INVESTMENT ACT - YOUTH SPECIAL REVENUE FUND (2741) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended June 30, 2007  
(with comparative actual amounts for the year ended June 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$524,896	\$775,738	\$677,241	(\$98,497)	\$615,420
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
<b>Total revenues</b>	<b>524,896</b>	<b>775,738</b>	<b>677,241</b>	<b>(98,497)</b>	<b>615,420</b>
<b>Expenditures:</b>					
Current operations:					
Personnel services	78,742	77,792	76,049	1,743	94,265
Supplies	3,972	2,882	2,294	588	1,820
Other services and charges	442,182	695,064	598,898	96,166	519,335
Capital outlay					
<b>Total expenditures</b>	<b>524,896</b>	<b>775,738</b>	<b>677,241</b>	<b>98,497</b>	<b>615,420</b>
Revenues over (under) expenditures					
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
<b>Total other financing sources (uses)</b>					
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>

**COUNTY OF OTTAWA**

**WORKFORCE INVESTMENT ACT - ADULT SPECIAL REVENUE FUND (2742) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended June 30, 2007  
(with comparative actual amounts for the year ended June 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$330,659	\$605,045	\$488,996	(\$116,049)	\$425,048
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					530
Total revenues	330,659	605,045	488,996	(116,049)	425,578
<b>Expenditures:</b>					
Current operations:					
Personnel services	49,843	54,020	51,624	2,396	72,583
Supplies	2,837	3,337	2,192	1,145	1,634
Other services and charges	277,979	547,688	435,180	112,508	360,866
Capital outlay					
Total expenditures	330,659	605,045	488,996	116,049	435,083
Revenues over (under) expenditures					(9,505)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance					(9,505)
Fund balance, beginning of year	511	511	511		10,016
Fund balance, end of year	<u>\$511</u>	<u>\$511</u>	<u>\$511</u>	<u>None</u>	<u>\$511</u>

**COUNTY OF OTTAWA**

**WORKFORCE INVESTMENT ACT - 6/30 GRANT PROGRAMS  
SPECIAL REVENUE FUND (2743) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended June 30, 2007  
(with comparative actual amounts for the year ended June 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$1,711,700	\$2,005,192	\$1,514,355	(\$490,837)	\$1,676,005
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
<b>Total revenues</b>	<b>1,711,700</b>	<b>2,005,192</b>	<b>1,514,355</b>	<b>(490,837)</b>	<b>1,676,005</b>
<b>Expenditures:</b>					
Current operations:					
Personnel services	224,866	224,208	170,265	53,943	124,210
Supplies	61,722	55,043	32,209	22,834	78,589
Other services and charges	1,425,112	1,712,236	1,294,948	417,288	1,484,950
Capital outlay		13,705	13,442	263	
<b>Total expenditures</b>	<b>1,711,700</b>	<b>2,005,192</b>	<b>1,510,864</b>	<b>494,328</b>	<b>1,687,749</b>
Revenues over (under) expenditures			3,491	3,491	(11,744)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
<b>Total other financing sources (uses)</b>					
Net change in fund balance			3,491	3,491	(11,744)
Fund balance, beginning of year	122,465	122,465	122,465		134,209
Fund balance, end of year	<b>\$122,465</b>	<b>\$122,465</b>	<b>\$125,956</b>	<b>\$3,491</b>	<b>\$122,465</b>

**COUNTY OF OTTAWA**

**WORKFORCE INVESTMENT ACT - 12/31 GRANT PROGRAMS  
SPECIAL REVENUE FUND (2744) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$132,000	\$526,182	\$259,484	(\$266,698)	\$54,531
Charges for services		15,000	13,953	(1,047)	15,188
Interest on investments					
Licenses and permits					
Rental income					
Other		75,200	56,303	(18,897)	68,689
Total revenues	132,000	616,382	329,740	(286,642)	138,408
<b>Expenditures:</b>					
Current operations:					
Personnel services	10,628	62,433	28,077	34,356	12,572
Supplies	568	2,483	806	1,677	1,628
Other services and charges	120,804	551,466	296,920	254,546	188,357
Total expenditures	132,000	616,382	325,803	290,579	202,557
Revenues over (under) expenditures			3,937	3,937	(64,149)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
Community Action Agency			(35,397)	(35,397)	55,742
Total other financing sources (uses)			(35,397)	(35,397)	55,742
Net change in fund balance			(31,460)	(31,460)	(8,407)
Fund balance, beginning of year	45,500	45,500	45,500		53,907
Fund balance, end of year	<u>\$45,500</u>	<u>\$45,500</u>	<u>\$14,040</u>	<u>(\$31,460)</u>	<u>\$45,500</u>

**COUNTY OF OTTAWA**

**WORKFORCE INVESTMENT ACT-9/30 GRANT PROGRAMS  
SPECIAL REVENUE FUND (2748) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$700,000	\$1,443,301	\$1,317,551	(\$125,750)	\$1,299,846
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	700,000	1,443,301	1,317,551	(125,750)	1,299,846
<b>Expenditures:</b>					
Current operations:					
Personnel services	235,252	229,242	198,529	30,713	214,053
Supplies	11,347	13,334	8,844	4,490	26,982
Other services and charges	453,401	1,198,825	1,131,096	67,729	1,087,299
Capital outlay		1,900	1,887	13	
Total expenditures	700,000	1,443,301	1,340,356	102,945	1,328,334
Revenues over (under) expenditures			(22,805)	(22,805)	(28,488)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance			(22,805)	(22,805)	(28,488)
Fund balance, beginning of year	27,651	27,651	27,651		56,139
Fund balance, end of year	<u>\$27,651</u>	<u>\$27,651</u>	<u>\$4,846</u>	<u>(\$22,805)</u>	<u>\$27,651</u>

**COUNTY OF OTTAWA**

**WORKFORCE INVESTMENT ACT-3/31 GRANT PROGRAMS  
SPECIAL REVENUE FUND (2749) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended March 31, 2007  
(with comparative actual amounts for the year ended March 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$26,378	\$26,378	\$24,152	(\$2,226)	\$39,847
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	26,378	26,378	24,152	(2,226)	39,847
<b>Expenditures:</b>					
Current operations:					
Personnel services	700	1,626	1,624	2	6,248
Supplies	3,055	2,227	2,226	1	3,746
Other services and charges	22,623	22,525	20,302	2,223	29,853
Capital outlay					
Total expenditures	26,378	26,378	24,152	2,226	39,847
Revenues over (under) expenditures					
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

**COUNTY OF OTTAWA**

**GRANT PROGRAMS - PASS THRU SPECIAL REVENUE FUND (2750)-  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$66,758	\$126,758	\$105,118	(\$21,640)	\$135,978
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	66,758	126,758	105,118	(21,640)	135,978
<b>Expenditures:</b>					
Current operations:					
Personnel services	78,226	78,226	63,234	14,992	60,717
Supplies	6,830	6,830	1,073	5,757	772
Other services and charges	15,067	75,067	63,946	11,121	97,159
Capital outlay					
Total expenditures	100,123	160,123	128,253	31,870	158,648
Revenues over (under) expenditures	(33,365)	(33,365)	(23,135)	10,230	(22,670)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	33,365	33,365	23,135	(10,230)	22,670
Total other financing sources (uses)	33,365	33,365	23,135	(10,230)	22,670
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

**COUNTY OF OTTAWA**

**EMERGENCY FEEDING SPECIAL REVENUE FUND (2800) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$18,000	\$42,837	\$172,327	\$129,490	\$197,292
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues	18,000	42,837	172,327	129,490	197,292
<b>Expenditures:</b>					
Current operations:					
Personnel services	9,060	14,335	14,968	(633)	17,602
Supplies	568	4,615	126,783	(122,168)	137,012
Other services and charges	8,372	23,887	23,380	507	25,016
Capital outlay					
Total expenditures	18,000	42,837	165,131	(122,294)	179,630
Revenues over (under) expenditures			7,196	7,196	17,662
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance			7,196	7,196	17,662
Fund balance, beginning of year	17,662	17,662	17,662		
Fund balance, end of year	\$17,662	\$17,662	\$24,858	\$7,196	\$17,662

**COUNTY OF OTTAWA**

**FEDERAL EMERGENCY MANAGEMENT AGENCY SPECIAL REVENUE FUND (2810) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
<b>Revenues:</b>					
Intergovernmental revenues		\$20,000	\$20,000		\$20,000
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues		20,000	20,000		20,000
<b>Expenditures:</b>					
Current operations:					
Personnel services					
Supplies					
Other services and charges		20,000	20,000		20,000
Capital outlay					
Total expenditures		20,000	20,000		20,000
Revenues over (under) expenditures					
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

**COUNTY OF OTTAWA**

**COMMUNITY CORRECTIONS SPECIAL REVENUE FUND (2850) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$301,270	\$324,025	\$305,120	(\$18,905)	\$299,325
Charges for services	141,048	174,809	182,418	7,609	209,519
Interest on investments					
Licenses and permits					
Rental income					
Other	10,896	10,896	10,943	47	12,643
Total revenues	453,214	509,730	498,481	(11,249)	521,487
<b>Expenditures:</b>					
Current operations:					
Personnel services	653,001	673,978	658,681	15,297	607,297
Supplies	26,730	23,730	19,465	4,265	31,703
Other services and charges	355,660	344,111	309,629	34,482	357,685
Capital outlay					
Total expenditures	1,035,391	1,041,819	987,775	54,044	996,685
Revenues over (under) expenditures	(582,177)	(532,089)	(489,294)	42,795	(475,198)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	482,177	432,089	432,089		458,726
Total other financing sources (uses)	482,177	432,089	432,089		458,726
Net change in fund balance	(100,000)	(100,000)	(57,205)	42,795	(16,472)
Fund balance, beginning of year	295,066	295,066	295,066		311,538
Fund balance, end of year	<u>\$195,066</u>	<u>\$195,066</u>	<u>\$237,861</u>	<u>\$42,795</u>	<u>\$295,066</u>

**COUNTY OF OTTAWA**

**COMMUNITY ACTION AGENCY SPECIAL REVENUE FUND (2870) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$428,200	\$603,115	\$493,263	(\$109,852)	\$477,256
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other	20,000	37,893	24,757	(13,136)	36,917
Total revenues	448,200	641,008	518,020	(122,988)	514,173
<b>Expenditures:</b>					
Current operations:					
Personnel services	312,642	333,495	274,745	58,750	218,872
Supplies	22,342	71,731	68,642	3,089	70,060
Other services and charges	142,216	279,782	207,458	72,324	217,669
Capital outlay					
Total expenditures	477,200	685,008	550,845	134,163	506,601
Revenues over (under) expenditures	(29,000)	(44,000)	(32,825)	11,175	7,572
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	29,000	29,000	29,000		29,000
Workforce Investment Act - 12/31					
Grant Programs			35,397	35,397	(55,742)
Total other financing sources (uses)	29,000	29,000	64,397	35,397	(26,742)
Net change in fund balance		(15,000)	31,572	46,572	(19,170)
Fund balance, beginning of year	92,724	92,724	92,724		111,894
Fund balance, end of year	\$92,724	\$77,724	\$124,296	\$46,572	\$92,724

**COUNTY OF OTTAWA**

**WEATHERIZATION SPECIAL REVENUE FUND (2890) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended March 31, 2007  
(with comparative actual amounts for the year ended March 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$263,980	\$268,980	\$254,073	(\$14,907)	\$306,793
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
<b>Total revenues</b>	<b>263,980</b>	<b>268,980</b>	<b>254,073</b>	<b>(14,907)</b>	<b>306,793</b>
<b>Expenditures:</b>					
Current operations:					
Personnel services	63,191	66,056	66,006	50	82,991
Supplies	147,882	154,855	144,834	10,021	175,530
Other services and charges	52,907	48,069	43,233	4,836	48,272
Capital outlay					
<b>Total expenditures</b>	<b>263,980</b>	<b>268,980</b>	<b>254,073</b>	<b>14,907</b>	<b>306,793</b>
Revenues over (under) expenditures					
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
Community Action Agency					
<b>Total other financing sources (uses)</b>					
Net change in fund balance					
Fund balance, beginning of year	168	168	168		168
Fund balance, end of year	<u>\$168</u>	<u>\$168</u>	<u>\$168</u>	<u>None</u>	<u>\$168</u>

**COUNTY OF OTTAWA**

**DEPARTMENT OF HUMAN SERVICES SPECIAL REVENUE FUND (2900) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$220,000	\$220,000	\$215,761	(\$4,239)	\$196,035
Charges for services	39,060	39,060	33,153	(5,907)	44,856
Interest on investments					
Licenses and permits					
Rental income					
Other	1,015	6,115	832	(5,283)	565
<b>Total revenues</b>	<b>260,075</b>	<b>265,175</b>	<b>249,746</b>	<b>(15,429)</b>	<b>241,456</b>
<b>Expenditures:</b>					
Current operations:					
Personnel services	655,129	655,129	579,969	75,160	592,136
Supplies	215,082	215,182	215,635	(453)	188,859
Other services and charges	118,934	123,934	104,239	19,695	116,658
Capital outlay					
<b>Total expenditures</b>	<b>989,145</b>	<b>994,245</b>	<b>899,843</b>	<b>94,402</b>	<b>897,653</b>
<b>Revenues over (under) expenditures</b>	<b>(729,070)</b>	<b>(729,070)</b>	<b>(650,097)</b>	<b>78,973</b>	<b>(656,197)</b>
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	729,070	729,070	729,070		731,564
<b>Total other financing sources (uses)</b>	<b>729,070</b>	<b>729,070</b>	<b>729,070</b>		<b>731,564</b>
<b>Net change in fund balance</b>			<b>78,973</b>	<b>78,973</b>	<b>75,367</b>
<b>Fund balance, beginning of year</b>	<b>666,288</b>	<b>666,288</b>	<b>666,288</b>		<b>590,921</b>
<b>Fund balance, end of year</b>	<b>\$666,288</b>	<b>\$666,288</b>	<b>\$745,261</b>	<b>\$78,973</b>	<b>\$666,288</b>

**COUNTY OF OTTAWA**

**CHILD CARE - CIRCUIT COURT SPECIAL REVENUE FUND (2920) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$4,039,422	\$4,013,565	\$3,804,722	(\$208,843)	\$3,648,195
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other	581,042	655,000	594,836	(60,164)	566,104
Total revenues	4,620,464	4,668,565	4,399,558	(269,007)	4,214,299
<b>Expenditures:</b>					
Current operations:					
Personnel services	4,149,115	4,148,457	3,998,225	150,232	3,855,084
Supplies	248,816	293,142	271,683	21,459	204,716
Other services and charges	4,529,637	4,543,624	4,158,972	384,652	4,049,575
Capital outlay					
Total expenditures	8,927,568	8,985,223	8,428,880	556,343	8,109,375
Revenues over (under) expenditures	(4,307,104)	(4,316,658)	(4,029,322)	287,336	(3,895,076)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	4,077,104	4,081,921	4,081,921		3,974,892
Total other financing sources (uses)	4,077,104	4,081,921	4,081,921		3,974,892
Net change in fund balance	(230,000)	(234,737)	52,599	287,336	79,816
Fund balance, beginning of year	1,568,213	1,568,213	1,568,213		1,488,397
Fund balance, end of year	<u>\$1,338,213</u>	<u>\$1,333,476</u>	<u>\$1,620,812</u>	<u>\$287,336</u>	<u>\$1,568,213</u>

**COUNTY OF OTTAWA**

**CHILD CARE - SOCIAL SERVICES SPECIAL REVENUE FUND (2021) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended September 30, 2007  
(with comparative actual amounts for the year ended September 30, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$21,000	\$21,125	\$22,397	\$1,272	\$21,450
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
<b>Total revenues</b>	<b>21,000</b>	<b>21,125</b>	<b>22,397</b>	<b>1,272</b>	<b>21,450</b>
<b>Expenditures:</b>					
Current operations:					
Personnel services					
Supplies					
Other services and charges	47,500	47,500	44,062	3,438	42,900
Capital outlay					
<b>Total expenditures</b>	<b>47,500</b>	<b>47,500</b>	<b>44,062</b>	<b>3,438</b>	<b>42,900</b>
<b>Revenues over (under) expenditures</b>	<b>(26,500)</b>	<b>(26,375)</b>	<b>(21,665)</b>	<b>4,710</b>	<b>(21,450)</b>
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	26,500	21,125	21,125		26,500
<b>Total other financing sources (uses)</b>	<b>26,500</b>	<b>21,125</b>	<b>21,125</b>		<b>26,500</b>
<b>Net change in fund balance</b>		<b>(5,250)</b>	<b>(540)</b>	<b>4,710</b>	<b>5,050</b>
<b>Fund balance, beginning of year</b>	<b>74,326</b>	<b>74,326</b>	<b>74,326</b>		<b>69,276</b>
<b>Fund balance, end of year</b>	<b>\$74,326</b>	<b>\$69,076</b>	<b>\$73,786</b>	<b>\$4,710</b>	<b>\$74,326</b>

**COUNTY OF OTTAWA**

**SOLDIERS' AND SAILORS' RELIEF SPECIAL REVENUE FUND (2930) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues					
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
Total revenues					
<b>Expenditures:</b>					
Current operations:					
Personnel services					
Supplies					
Other services and charges	\$60,000	\$60,000	\$30,485	\$29,515	\$100,719
Capital outlay					
Total expenditures	60,000	60,000	30,485	29,515	100,719
Revenues over (under) expenditures	(60,000)	(60,000)	(30,485)	29,515	(100,719)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund	60,000	60,000	30,485	(29,515)	100,719
Total other financing sources (uses)	60,000	60,000	30,485	(29,515)	100,719
Net change in fund balance					
Fund balance, beginning of year					
Fund balance, end of year	None	None	None	None	None

**COUNTY OF OTTAWA**

**VETERANS TRUST SPECIAL REVENUE FUND (2940) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues	\$12,347	\$28,376	\$28,376		\$21,673
Charges for services					
Interest on investments					
Licenses and permits					
Rental income					
Other					
<b>Total revenues</b>	<b>12,347</b>	<b>28,376</b>	<b>28,376</b>		<b>21,673</b>
<b>Expenditures:</b>					
Current operations:					
Personnel services					
Supplies					
Other services and charges	12,347	28,376	28,611	(\$235)	21,898
Capital outlay					
<b>Total expenditures</b>	<b>12,347</b>	<b>28,376</b>	<b>28,611</b>	<b>(235)</b>	<b>21,898</b>
Revenues over (under) expenditures			(235)	(235)	(225)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
<b>Total other financing sources (uses)</b>					
Net change in fund balance			(235)	(235)	(225)
Fund balance, beginning of year	661	661	661		886
Fund balance, end of year	<u>\$661</u>	<u>\$661</u>	<u>\$426</u>	<u>(\$235)</u>	<u>\$661</u>

**COUNTY OF OTTAWA**

**COMPENSATED ABSENCES SPECIAL REVENUE FUND (2980) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues					
Charges for services	\$129,000	\$129,000	\$38,818	(\$90,182)	\$115,083
Interest on investments	95,875	170,000	220,595	50,595	162,777
Licenses and permits					
Rental income					
Other					
<b>Total revenues</b>	<b>224,875</b>	<b>299,000</b>	<b>259,413</b>	<b>(39,587)</b>	<b>277,860</b>
<b>Expenditures:</b>					
Current operations:					
Personnel services	83,949	158,596	198,011	(39,415)	42,623
Supplies					
Other services and charges					
Capital outlay					
<b>Total expenditures</b>	<b>83,949</b>	<b>158,596</b>	<b>198,011</b>	<b>(39,415)</b>	<b>42,623</b>
<b>Revenues over (under) expenditures</b>	<b>140,926</b>	<b>140,404</b>	<b>61,402</b>	<b>(79,002)</b>	<b>235,237</b>
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
<b>Total other financing sources (uses)</b>					
<b>Net change in fund balance</b>	<b>140,926</b>	<b>140,404</b>	<b>61,402</b>	<b>(79,002)</b>	<b>235,237</b>
<b>Fund balance, beginning of year</b>	<b>3,954,376</b>	<b>3,954,376</b>	<b>3,954,376</b>		<b>3,719,139</b>
<b>Fund balance, end of year</b>	<b>\$4,095,302</b>	<b>\$4,094,780</b>	<b>\$4,015,778</b>	<b>(\$79,002)</b>	<b>\$3,954,376</b>

**COUNTY OF OTTAWA**

**OTTAWA COUNTY BUILDING AUTHORITY DEBT SERVICE FUND (5690 - 5695) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Interest on investments	\$580	\$580	\$95	(\$485)	\$7,539
Rental income	2,977,797	2,770,797	2,769,438	(1,359)	2,439,503
Total revenues	2,978,377	2,771,377	2,769,533	(1,844)	2,447,042
<b>Expenditures:</b>					
Principal retirement	1,830,000	1,830,000	1,830,000		1,720,000
Interest and fiscal charges	1,147,797	941,122	939,438	1,684	733,395
Bond issuance costs					
Total expenditures	2,977,797	2,771,122	2,769,438	1,684	2,453,395
Revenues over (under) expenditures	580	255	95	(160)	(6,353)
<b>Other financing sources (uses):</b>					
Transfers in (out)					
Public Improvement Fund		325	325		
Total other financing sources (uses)		325	325		
Net change in fund balance	580	580	420	(160)	(6,353)
Fund balances, beginning of year	10,381	10,381	10,381		16,734
Fund balances, end of year	\$10,961	\$10,961	\$10,801	(\$160)	\$10,381

**COUNTY OF OTTAWA**

**OTTAWA COUNTY BUILDING AUTHORITY CAPITAL PROJECTS FUND (5690 - 5695) -  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				
	Original Budget	Final Amended Budget	Actual	Variance	2006 Actual
<b>Revenues:</b>					
Interest on investments	\$66,000	\$86,960	\$81,615	(\$5,345)	\$62,430
Other					
Total revenues	<u>66,000</u>	<u>86,960</u>	<u>81,615</u>	<u>(5,345)</u>	<u>62,430</u>
<b>Expenditures:</b>					
Construction contracts	9,360,000	5,645,352	5,353,630	291,722	2,251,029
Bond issue costs		123,400	119,575	3,825	
Total expenditures	<u>9,360,000</u>	<u>5,768,752</u>	<u>5,473,205</u>	<u>295,547</u>	<u>2,251,029</u>
Revenues over (under) expenditures	<u>(9,294,000)</u>	<u>(5,681,792)</u>	<u>(5,391,590)</u>	<u>290,202</u>	<u>(2,188,599)</u>
<b>Other financing sources (uses):</b>					
Transfers in (out):					
Public Improvement			(173,994)	(173,994)	68,161
Issuance of bonds	10,000,000	10,000,000	10,000,000		
Premium on bonds issued		78,851	78,851		
Total other financing sources (uses)	<u>10,000,000</u>	<u>10,078,851</u>	<u>9,904,857</u>	<u>(173,994)</u>	<u>68,161</u>
Net change in fund balance	706,000	4,397,059	4,513,267	116,208	(2,120,438)
Fund balances, beginning of year	253,715	253,715	253,715		2,374,153
Fund balances, end of year	<u><u>\$959,715</u></u>	<u><u>\$4,650,774</u></u>	<u><u>\$4,766,982</u></u>	<u><u>\$116,208</u></u>	<u><u>\$253,715</u></u>

**COUNTY OF OTTAWA**

**CEMETERY TRUST PERMANENT FUND (1500)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2007  
(with comparative actual amounts for the year ended December 31, 2006)

	2007				2006
	Original Budget	Final Amended Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Intergovernmental revenues					
Charges for services					
Interest on investments	\$260	\$260	\$266	\$6	\$237
Licenses and permits					
Rental income					
Other					
Total revenues	260	260	266	6	237
<b>Expenditures:</b>					
Personnel services					
Supplies					
Other services and charges					568
Capital outlay					
Other					
Total expenditures					568
Revenues over (under) expenditures	260	260	266	6	(331)
<b>Other financing sources (uses):</b>					
Transfers in (out):					
General Fund					
Total other financing sources (uses)					
Net change in fund balance	260	260	266	6	(331)
Fund balance, beginning of year	5,770	5,770	5,770		6,101
Fund balance, end of year	<u>\$6,030</u>	<u>\$6,030</u>	<u>\$6,036</u>	<u>\$6</u>	<u>\$5,770</u>

## **COUNTY OF OTTAWA**

### **INTERNAL SERVICE FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2007

Internal Service Funds are established to account for the financing of goods or services provided by one department to other departments of the governmental unit on a cost-reimbursement basis.

Information Technology Fund (6360) - The Information Technology Fund is used to account for revenues collected from user departments for service charges to cover the costs incurred in the operation of the department including computer processing time and programming time.

Duplicating Fund (6450) - The Duplicating Fund is used to account for revenues received from user departments and expenses incurred in providing copier services.

Telecommunications Fund (6550) - The Telecommunications Fund is used to account for revenues received from user departments and expenses incurred in providing telephone service.

Equipment Pool Fund (6641) - The Equipment Pool Fund is used to account for revenues collected from user departments for the equipment rental charges to cover the costs incurred to administer the equipment pool fund and depreciation of the equipment.

Protected Self-Funded Insurance Programs Fund (6770) - The Protected Self-Funded Insurance Programs Fund is used to account for the administrative costs associated with managing the self-insured portion of the vehicle protection program, the workers' compensation program, the liability protection program and the property and fire protection program.

Protected Self-Funded Health Fund (6771) - The Protected Self-Funded Health Fund is used to account for revenues collected from user departments for the payment of costs incurred to administer the self-funded health insurance program, third party administrative expenses and actual health claims paid.

Protected Self-Funded Unemployment Fund (6772) - The protected Self-Funded Unemployment Fund is used to account for revenues collected from user departments for the payment of costs incurred to administer the self-funded unemployment insurance program, third party administrative expenses and actual unemployment claims paid.

Long-Term Disability Insurance Fund (6775) - The Long-term Disability Insurance Fund is used to account for revenues collected from user departments for the payment of costs incurred to administer the long-term disability insurance program and insurance premiums paid.

## **COUNTY OF OTTAWA**

### **INTERNAL SERVICE FUNDS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2007**

Protected Self-Funded Dental Insurance Fund (6776) - The Protected Self-Funded Dental Insurance Fund is used to account for revenues collected from user departments for the payment of costs incurred to administer the self-funded dental insurance program, third party administrative expenses and actual dental claims paid.

Protected Self-Funded Vision Insurance Fund (6777) - The Protected Self-Funded Vision Insurance Fund is used to account for revenues collected from user departments for the payment of costs incurred to administer the self-funded dental insurance program, third party administrative expenses and actual vision claims paid.

Ottawa County, Michigan Insurance Authority Fund (6780) - The Ottawa County, Michigan Insurance Authority Fund is used to account for insurance coverage and risk management related services to participating public entities pursuant to State of Michigan Act No. 36 of the Public Acts of 1988.

Protected Self-Funded Insurance - Mental Health Fund (6782) - The Protected Self-Funded Insurance - Mental Health Fund is used to account for funds covering risk exposure under the Managed Care Specialty Services Program.

**COUNTY OF OTTAWA**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
December 31, 2007  
(with comparative totals for December 31, 2006)**

	Information Technology (6360)	Duplicating (6450)	Telecommunications (6550)
<b><u>ASSETS</u></b>			
Current assets:			
Cash and pooled investments	\$1,982,724	\$649,922	\$4,468,206
Investments			
Accounts receivable	625		32,833
Accrued interest on investments			
Due from other governmental units			
Due from other funds	127,126	36,072	246,288
Inventory of supplies	41,376		
Prepaid expenses	213,656		15,546
Total current assets	<u>2,365,507</u>	<u>685,994</u>	<u>4,762,873</u>
Noncurrent assets:			
Capital assets:			
Office furniture and equipment	43,000		
Copy machines		121,358	
Telephone equipment			2,462,910
Vehicles			
Less accumulated depreciation	<u>(43,000)</u>	<u>(73,075)</u>	<u>(1,710,436)</u>
Net capital assets	<u></u>	<u>48,283</u>	<u>752,474</u>
Total assets	<u>2,365,507</u>	<u>734,277</u>	<u>5,515,347</u>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	80,334	621	4,515
Interfund payable			
Due to other funds			
Due to other governmental units			
Capital lease payable			
Unearned revenue			194,792
Total current liabilities	<u>80,334</u>	<u>621</u>	<u>199,307</u>
<b><u>NET ASSETS</u></b>			
Investment in capital assets		48,283	752,474
Restricted for managed care risk exposure			
Unrestricted	<u>2,285,173</u>	<u>685,373</u>	<u>4,563,566</u>
Total net assets	<u><u>\$2,285,173</u></u>	<u><u>\$733,656</u></u>	<u><u>\$5,316,040</u></u>

Equipment Pool (6641)	Protected Self-Funded Insurance Programs (6770)	Protected Self-Funded Health (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Protected Self-Funded Dental Insurance (6776)	Protected Self-Funded Vision Insurance (6777)
\$3,154,308		\$3,699,527	\$1,029,306	\$101,010		
		18,265				
164,320	\$3,943,324	185,767	60,055	6,195		
	10,000	9,700	1,940	12,734		
3,318,628	3,953,324	3,913,259	1,091,301	119,939		
4,160,793						
3,825,623 (5,392,857)						
2,593,559						
5,912,187	3,953,324	3,913,259	1,091,301	119,939		
2,686	691,246 66,330	1,570,748	24,209	349		
106,239			28,319			
108,925	757,576	1,570,748	52,528	349		
2,593,559						
3,209,703	3,195,748	2,342,511	1,038,773	119,590		
\$5,803,262	\$3,195,748	\$2,342,511	\$1,038,773	\$119,590	Closed	Closed

(Continued on next page)

**COUNTY OF OTTAWA**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
December 31, 2007  
(with comparative totals for December 31, 2006)**

	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	<u>Totals</u>	
			<u>2007</u>	<u>2006</u>
<b><u>ASSETS</u></b>				
Current assets:				
Cash and pooled investments	\$1,027,078	\$1,819,523	\$17,931,604	\$16,053,879
Investments	18,987,778		18,987,778	17,616,127
Accounts receivable			51,723	40,113
Accrued interest on investments	155,911		155,911	126,771
Due from other governmental units				
Due from other funds		109,361	4,878,508	4,315,172
Inventory of supplies			41,376	35,858
Prepaid expenses	110,958		374,534	218,408
	<u>20,281,725</u>	<u>1,928,884</u>	<u>42,421,434</u>	<u>38,406,328</u>
Total current assets				
Noncurrent assets:				
Capital assets:				
Office furniture and equipment			4,203,793	3,882,243
Copy machines			121,358	125,395
Telephone equipment			2,462,910	2,443,955
Vehicles			3,825,623	3,811,008
Less accumulated depreciation			(7,219,368)	(6,675,243)
			<u>3,394,316</u>	<u>3,587,358</u>
Net capital assets				
Total assets	<u>20,281,725</u>	<u>1,928,884</u>	<u>45,815,750</u>	<u>41,993,686</u>
<b><u>LIABILITIES</u></b>				
Current liabilities:				
Accounts payable	5,754,629		8,129,337	9,566,689
Interfund payable			66,330	139,830
Due to other funds	3,941,743		3,941,743	3,676,694
Due to other governmental units			28,319	80,387
Capital lease payable			106,239	
Unearned revenue			194,792	240,625
	<u>9,696,372</u>		<u>12,466,760</u>	<u>13,704,225</u>
Total current liabilities				
<b><u>NET ASSETS</u></b>				
Investment in capital assets			3,394,316	3,587,358
Restricted for managed care risk exposure		1,928,884	1,928,884	2,046,147
Unrestricted	10,585,353		28,025,790	22,655,956
	<u>\$10,585,353</u>	<u>\$1,928,884</u>	<u>\$33,348,990</u>	<u>\$28,289,461</u>
Total net assets				

*(Concluded)*

**COUNTY OF OTTAWA**

**INTERNAL SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**

**CHANGES IN FUND NET ASSETS**

For the Year Ended December 31, 2007  
(with comparative totals for the year ended December 31, 2006)

	Information Technology (6360)	Duplicating (6450)	Telecommunications (6550)
Operating revenues:			
Charges for services	\$2,028,181	\$128,483	\$806,909
Other revenue			
Total operating revenues	<u>2,028,181</u>	<u>128,483</u>	<u>806,909</u>
Operating expenses:			
Personnel services	1,541,403	6,825	110,664
Contractual services	523,197	34,678	243,534
Supplies	80,208	23,111	2,380
Depreciation		23,514	117,116
Building and equipment rental	63,057		
Claims and legal			
Miscellaneous	<u>207,520</u>	<u>9,246</u>	<u>18,085</u>
Total operating expenses	<u>2,415,385</u>	<u>97,374</u>	<u>491,779</u>
Operating income (loss)	<u>(387,204)</u>	<u>31,109</u>	<u>315,130</u>
Nonoperating revenues (expenses):			
Interest on investments	127,126	36,071	246,288
Net change in the fair value of investments			
Gain (loss) on retirement of capital assets			
Total nonoperating revenues (expenses)	<u>127,126</u>	<u>36,071</u>	<u>246,288</u>
Income (loss) before transfers	<u>(260,078)</u>	<u>67,180</u>	<u>561,418</u>
Transfers in (out):			
General Fund	(29,000)		
Protected Self-Funded Dental Insurance			
Protected Self-Funded Vision Insurance			
Protected Self-Funded Health Insurance			
Total transfers	<u>(29,000)</u>		
Change in net assets	<u>(289,078)</u>	<u>67,180</u>	<u>561,418</u>
Total net assets, beginning of year	<u>2,574,251</u>	<u>666,476</u>	<u>4,754,622</u>
Total net assets, end of year	<u><u>\$2,285,173</u></u>	<u><u>\$733,656</u></u>	<u><u>\$5,316,040</u></u>

Equipment Pool (6641)	Protected Self-Funded Insurance Programs (6770)	Protected Self-Funded Health (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Protected Self-Funded Dental Insurance (6776)	Protected Self-Funded Vision Insurance (6777)
\$1,256,930	\$399,552	\$11,890,877	\$150,578	\$184,732		
<u>1,256,930</u>	<u>399,552</u>	<u>11,890,877</u>	<u>150,578</u>	<u>184,732</u>		
28,921	166,363	162,747	49,581	7,100		
	45,477	617,010	43,741	179,912		
53	618	22,468				
1,092,747						
	43,931	10,731,604	28,319			
16,251	12,580	19,485	95,153	3,454		
<u>1,137,972</u>	<u>268,969</u>	<u>11,553,314</u>	<u>216,794</u>	<u>190,466</u>		
118,958	130,583	337,563	(66,216)	(5,734)		
164,320	279,695	185,767	60,055	6,195		
(32,632)						
<u>131,688</u>	<u>279,695</u>	<u>185,767</u>	<u>60,055</u>	<u>6,195</u>		
250,646	410,278	523,330	(6,161)	461		
250,646	410,278	523,330	(6,161)	461		
5,552,616	2,785,470	1,819,181	1,044,934	119,129		
<u>\$5,803,262</u>	<u>\$3,195,748</u>	<u>\$2,342,511</u>	<u>\$1,038,773</u>	<u>\$119,590</u>	<u>Closed</u>	<u>Closed</u>

(Continued on next page)

**COUNTY OF OTTAWA**

**INTERNAL SERVICE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**

**CHANGES IN FUND NET ASSETS**

For the Year Ended December 31, 2007  
(with comparative totals for the year ended December 31, 2006)

	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	Totals	
			2007	2006
Operating revenues:				
Charges for services	\$1,809,990		\$18,656,232	\$17,029,424
Other revenue	33,533		33,533	9,866
Total operating revenues	1,843,523		18,689,765	17,039,290
Operating expenses:				
Personnel services			2,073,604	1,953,284
Contractual services	674,140		2,361,689	2,510,993
Supplies			128,838	195,529
Depreciation			1,233,377	1,104,632
Building and equipment rental			63,057	57,790
Claims and legal	(1,325,785)	\$226,624	9,704,693	9,079,897
Miscellaneous			381,774	417,797
Total operating expenses	(651,645)	226,624	15,947,032	15,319,922
Operating income (loss)	2,495,168	(226,624)	2,742,733	1,719,368
Nonoperating revenues (expenses):				
Interest on investments	354,152	109,361	1,569,030	1,280,740
Net change in the fair value of investments	809,398		809,398	542,430
Gain (loss) on retirement of capital assets			(32,632)	(210,928)
Total nonoperating revenues (expenses)	1,163,550	109,361	2,345,796	1,612,242
Income (loss) before transfers	3,658,718	(117,263)	5,088,529	3,331,610
Transfers in (out):				
General Fund			(29,000)	444,571
Protected Self-Funded Dental Insurance				(107,583)
Protected Self-Funded Vision Insurance				(28,272)
Protected Self-Funded Health Insurance				135,855
Total transfers			(29,000)	444,571
Change in net assets	3,658,718	(117,263)	5,059,529	3,776,181
Total net assets, beginning of year	6,926,635	2,046,147	28,289,461	24,513,280
Total net assets, end of year	\$10,585,353	\$1,928,884	\$33,348,990	\$28,289,461

*Concluded*

# COUNTY OF OTTAWA

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2007  
(with comparative totals for the year ended December 31, 2006)

	Information Technology (6360)	Duplicating (6450)	Tele- communications (6550)
Cash flows from operating activities:			
Cash received from interfund services provided	\$2,027,731	\$128,483	\$745,826
Cash payments to suppliers for goods and services	(980,238)	(66,893)	(268,748)
Cash payments for self-funded insurance claims			
Cash payments to employees for services	(1,541,403)	(6,825)	(110,664)
	<u>(493,910)</u>	<u>54,765</u>	<u>366,414</u>
Net cash provided by (used for) operating activities			
Cash flows from noncapital financing activities:			
Transfers in from other funds			
Transfers out to other funds	(29,000)		
	<u>(29,000)</u>		
Net cash provided by (used for) noncapital financing activities	<u>(29,000)</u>		
Cash flows from capital and related financing activities:			
Acquisition of capital assets		(8,235)	(18,955)
Proceeds from sale of equipment			
		<u>(8,235)</u>	<u>(18,955)</u>
Net cash provided by (used for ) capital and related financing activities			
Cash flows from investing activities:			
Purchase of investments			
Interest on investments	101,112	25,162	165,254
Proceeds on sale of investments			
	<u>101,112</u>	<u>25,162</u>	<u>165,254</u>
Net cash provided by (used for) investing activities			
Net increase (decrease) in cash and pooled investments	(421,798)	71,692	512,713
Cash and pooled investments, beginning of year	<u>2,404,522</u>	<u>578,230</u>	<u>3,955,493</u>
Cash and pooled investments, end of year	<u><u>\$1,982,724</u></u>	<u><u>\$649,922</u></u>	<u><u>\$4,468,206</u></u>

Equipment Pool (6641)	Protected Self-Funded Insurance Programs (6770)	Protected Self-Funded Health (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Protected Self-Funded Dental Insurance (6776)	Protected Self-Funded Vision Insurance (6777)
\$1,256,930	\$399,552	\$11,890,877	\$150,578	\$184,732		
(16,304)	(58,675)	(658,963)	(136,711)	(195,867)		
	(114,079)	(10,316,716)	(80,387)		(39,477)	(5,748)
(28,921)	(166,363)	(162,747)	(49,581)	(7,100)		
1,211,705	60,435	752,451	(116,101)	(18,235)	(39,477)	(5,748)
	(73,500)					
	(73,500)					
(1,008,315)						
(1,008,315)						
122,694	13,065	96,093	49,735	4,612		
122,694	13,065	96,093	49,735	4,612		
326,084		848,544	(66,366)	(13,623)	(39,477)	(5,748)
2,828,224		2,850,983	1,095,672	114,633	39,477	5,748
\$3,154,308	None	\$3,699,527	\$1,029,306	\$101,010	None	None

(Continued on next page)

# COUNTY OF OTTAWA

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2007  
(with comparative totals for the year ended December 31, 2006)

	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	Totals	
			2007	2006
Cash flows from operating activities:				
Cash received from interfund services provided	\$2,103,319		\$18,888,028	\$17,500,189
Cash payments to suppliers for goods and services	(264,423)		(2,646,822)	(2,737,167)
Cash payments for self-funded insurance claims	(783,142)	(\$226,624)	(11,566,173)	(10,918,115)
Cash payments to employees for services			(2,073,604)	(1,953,284)
Net cash provided by (used for) operating activities	1,055,754	(226,624)	2,601,429	1,891,623
Cash flows from noncapital financing activities:				
Transfers in from other funds				572,978
Transfers out to other funds			(102,500)	(250,033)
Net cash provided by (used for) noncapital financing activities			(102,500)	322,945
Cash flows from capital and related financing activities:				
Acquisition of capital assets			(1,035,505)	(2,025,581)
Proceeds from sale of equipment				
Net cash provided by (used for ) capital and related financing activities			(1,035,505)	(2,025,581)
Cash flows from investing activities:				
Purchase of investments	(25,257,856)		(25,257,856)	(22,864,075)
Interest on investments	325,012	73,815	976,554	769,262
Proceeds on sale of investments	24,695,603		24,695,603	22,345,220
Net cash provided by (used for) investing activities	(237,241)	73,815	414,301	250,407
Net increase (decrease) in cash and pooled investments	818,513	(152,809)	1,877,725	439,394
Cash and pooled investments, beginning of year	208,565	1,972,332	16,053,879	15,614,485
Cash and pooled investments, end of year	\$1,027,078	\$1,819,523	\$17,931,604	\$16,053,879

(Continued on next page)

# COUNTY OF OTTAWA

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2007

(with comparative totals for the year ended December 31, 2006)

	Information Technology (6360)	Duplicating (6450)	Tele- communications (6550)
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	(\$387,204)	\$31,109	\$315,130
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation		23,514	117,116
Change in assets and liabilities not affecting cash provided by (used for) operating activities:			
(Increase) decrease in receivables	(450)		(15,250)
(Increase) decrease in due from other funds			
(Increase) decrease in due from other governmental units			
(Increase) decrease in due from component units			
(Increase) decrease in inventory	(5,518)		
(Increase) decrease in prepaid expenses	(126,610)		(4,876)
Increase (decrease) in unpaid claims liability			
Increase (decrease) in unearned revenue			(45,833)
Increase (decrease) in accounts payable	25,872	142	127
Increase (decrease) in due to other funds			
Net cash provided by (used for) operating activities	<u>(\$493,910)</u>	<u>\$54,765</u>	<u>\$366,414</u>

Equipment Pool (6641)	Protected Self-Funded Insurance Programs (6770)	Protected Self-Funded Health (6771)	Protected Self-Funded Unemployment (6772)	Long-Term Disability Insurance (6775)	Protected Self-Funded Dental Insurance (6776)	Protected Self-Funded Vision Insurance (6777)
\$118,958	\$130,583	\$337,563	(\$66,216)	(\$5,734)		
1,092,747						
		4,090				
			(52,068)			
	(10,000)	(9,700)	(720)	(12,734)		9,700
	(60,148)	420,498	2,903	233	(39,477)	(15,448)
<u>\$1,211,705</u>	<u>\$60,435</u>	<u>\$752,451</u>	<u>(\$116,101)</u>	<u>(\$18,235)</u>	<u>(\$39,477)</u>	<u>(\$5,748)</u>
					(Continued on next page)	

# COUNTY OF OTTAWA

## INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2007  
(with comparative totals for the year ended December 31, 2006)

	Ottawa County, Michigan Insurance Authority (6780)	Protected Self-Funded Insurance - Mental Health (6782)	Totals	
			2007	2006
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$2,495,168	(\$226,624)	\$2,742,733	\$1,719,368
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation			1,233,377	1,104,632
Change in assets and liabilities not affecting cash provided by (used for) operating activities:				
(Increase) decrease in receivables			(11,610)	(28,022)
(Increase) decrease in due from other funds				
(Increase) decrease in due from other governmental units			(52,068)	9,721
(Increase) decrease in due from component units				
(Increase) decrease in inventory			(5,518)	2,818
(Increase) decrease in prepaid expenses	(1,186)		(156,126)	29,121
Increase (decrease) in unpaid claims liability	(1,703,277)		(1,703,277)	(1,757,527)
Increase (decrease) in unearned revenue			(45,833)	240,625
Increase (decrease) in accounts payable			334,702	340,982
Increase (decrease) in due to other funds	265,049		265,049	229,905
Net cash provided by (used for) operating activities	<u>\$1,055,754</u>	<u>(\$226,624)</u>	<u>\$2,601,429</u>	<u>\$1,891,623</u>
				(Concluded)

## **COUNTY OF OTTAWA**

### **FIDUCIARY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2007

Fiduciary Funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

#### **AGENCY FUNDS**

Trust and Agency Fund (7010) - This Fund was established to account for monies received by the County for later distribution to other agencies or persons. Primarily the fund accounts for revenue received and later remitted to the State of Michigan.

Library Penal Fine Fund (7210) - This Fund was established under Act 236, Section 4351 to account for monies received from District Court fines which are allocated annually for operations of the County's libraries.

Imprest Payroll Fund (7040) - This Fund was established to account for the salaries and fringes of the County employees payroll. Money is disbursed from the Imprest Payroll Fund after being reimbursed by the benefiting funds.

Inland Lake Improvement (8725) – The Drain Commissioner serves on various inland lake boards that do not meet the requirements of a component unit. The Drain Commissioner also serves as the treasurer for these boards, so the financial activity is recorded on the County's general ledger. Accordingly, the County is recording this activity in an agency fund.

**COUNTY OF OTTAWA**

**FIDUCIARY FUNDS**

**COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**

December 31, 2007

(with comparative totals for December 31, 2006)

	Agency Funds				Total	
	Trust and Agency 7010	Library Penal Fine 7210	Imprest Payroll 7040	Inland Lake Improvement 8725	2007	2006
<b>ASSETS</b>						
Cash and pooled investments	\$1,602,764	\$464,880	\$645,485	\$195,443	\$2,908,572	\$4,305,788
Receivables:						
Accounts	41,003				41,003	177,406
Due from other governmental units	9,192				9,192	81,099
Total assets	<u>\$1,652,959</u>	<u>\$464,880</u>	<u>\$645,485</u>	<u>\$195,443</u>	<u>\$2,958,767</u>	<u>\$4,564,293</u>
<b>LIABILITIES</b>						
Liabilities:						
Due to other governmental units:						
Due to State of Michigan	\$761,940		\$142,735		\$904,675	\$2,514,277
Fines and fees due to local libraries		\$464,880			464,880	452,852
Agency deposits	891,019		502,750	\$195,443	1,589,212	1,597,164
Total liabilities	<u>\$1,652,959</u>	<u>\$464,880</u>	<u>\$645,485</u>	<u>\$195,443</u>	<u>\$2,958,767</u>	<u>\$4,564,293</u>

**COUNTY OF OTTAWA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2007

	Balances January 1, 2007	Additions	Deductions	Balances December 31, 2007
<u>TRUST AND AGENCY FUND (7010)</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$3,069,774	\$144,551,583	\$146,018,593	\$1,602,764
Accounts receivable	177,406	718,211	854,614	41,003
Due from other governmental units	81,099	187,345	259,252	9,192
Total assets	<u>\$3,328,279</u>	<u>\$145,457,139</u>	<u>\$147,132,459</u>	<u>\$1,652,959</u>
<u>LIABILITIES</u>				
Due to other taxing units		\$67,751,081	\$67,751,081	
Due to State of Michigan	\$2,389,091	66,944,049	68,571,200	\$761,940
Agency deposits	939,188	81,743,672	81,791,841	891,019
Total liabilities	<u>\$3,328,279</u>	<u>\$216,438,802</u>	<u>\$218,114,122</u>	<u>\$1,652,959</u>
<u>LIBRARY PENAL FINE FUND (7210)</u>				
<u>ASSETS</u>				
Cash and pooled investments	\$452,852	\$973,465	\$961,437	\$464,880
Total assets	<u>\$452,852</u>	<u>\$973,465</u>	<u>\$961,437</u>	<u>\$464,880</u>
<u>LIABILITIES</u>				
Fines and fees due to local libraries	\$452,852	\$973,465	\$961,437	\$464,880
Agency deposits		946,063	946,063	
Total liabilities	<u>\$452,852</u>	<u>\$1,919,528</u>	<u>\$1,907,500</u>	<u>\$464,880</u>

*(Continued on next page)*

**COUNTY OF OTTAWA**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**

FOR THE YEAR ENDED DECEMBER 31, 2007

	Balances January 1, 2007	Additions	Deductions	Balances December 31, 2007
<b><u>IMPREST PAYROLL FUND (7040)</u></b>				
<b><u>ASSETS</u></b>				
Cash and pooled investments	\$602,011	\$65,171,583	\$65,128,109	\$645,485
Accounts receivable		63,230,172	63,230,172	
Total assets	<u>\$602,011</u>	<u>\$128,401,755</u>	<u>\$128,358,281</u>	<u>\$645,485</u>
<b><u>LIABILITIES</u></b>				
Due to State of Michigan	\$125,186	\$1,681,285	\$1,663,736	\$142,735
Agency deposits	476,825	67,334,042	67,308,117	502,750
Total liabilities	<u>\$602,011</u>	<u>\$69,015,327</u>	<u>\$68,971,853</u>	<u>\$645,485</u>
<b><u>INLAND LAKE IMPROVEMENT (8725)</u></b>				
<b><u>ASSETS</u></b>				
Cash and pooled investments	\$181,151	\$245,706	\$231,414	\$195,443
Accounts receivable				
Total assets	<u>\$181,151</u>	<u>\$245,706</u>	<u>\$231,414</u>	<u>\$195,443</u>
<b><u>LIABILITIES</u></b>				
Agency deposits	\$181,151	\$245,706	\$231,414	\$195,443
Total liabilities	<u>\$181,151</u>	<u>\$245,706</u>	<u>\$231,414</u>	<u>\$195,443</u>
<b><u>TOTALS - AGENCY FUNDS</u></b>				
<b><u>ASSETS</u></b>				
Cash and pooled investments	\$4,305,788	\$210,942,337	\$212,339,553	\$2,908,572
Accounts receivable	177,406	63,948,383	64,084,786	41,003
Due from other governmental units	81,099	187,345	259,252	9,192
Total assets	<u>\$4,564,293</u>	<u>\$275,078,065</u>	<u>\$276,683,591</u>	<u>\$2,958,767</u>
<b><u>LIABILITIES</u></b>				
Due to other taxing units		\$67,751,081	\$67,751,081	
Due to State of Michigan	\$2,514,277	68,625,334	70,234,936	\$904,675
Fines and fees due to local libraries	452,852	973,465	961,437	464,880
Agency deposits	1,597,164	150,269,483	150,277,435	1,589,212
Total liabilities	<u>\$4,564,293</u>	<u>\$287,619,363</u>	<u>\$289,224,889</u>	<u>\$2,958,767</u>

(Concluded)

## COUNTY OF OTTAWA STATISTICAL SECTION

This part of the County of Ottawa's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### **Contents**

<b>Financial Trends</b>	<b><u>Page</u></b>
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	170
<b>Revenue Capacity</b>	
<i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	176
<b>Debt Capacity</b>	
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	180
<b>Demographic and Economic Information</b>	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	183
<b>Operating Information</b>	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	185

*Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

**COUNTY OF OTTAWA  
NET ASSETS BY COMPONENT  
LAST SEVEN FISCAL YEARS\***

	Fiscal Year						
	2007	2006	2005	2004	2003	2002	2001
Governmental Activities							
Invested in capital assets, net of related debt	\$81,991,023	\$78,519,838	\$74,348,852	\$62,513,315	\$54,652,223	\$36,869,011	\$35,558,261
Restricted	38,510,706	40,108,692	35,040,583	31,077,232	26,913,213	33,832,570	25,622,231
Unrestricted	68,819,561	60,800,956	54,030,017	47,241,713	46,050,289	45,780,029	48,344,792
Total Governmental Activities							
Net Assets	<u>\$189,321,290</u>	<u>\$179,429,486</u>	<u>\$163,419,452</u>	<u>\$140,832,260</u>	<u>\$127,615,725</u>	<u>\$116,481,610</u>	<u>\$109,525,284</u>
Business-Type Activities							
Invested in capital assets, net of related debt	\$3,037	\$4,049	\$5,423	\$6,873	\$8,690	\$10,433	\$13,084
Unrestricted	24,403,583	24,232,390	24,337,816	25,220,565	26,569,311	27,483,344	27,416,325
Total Business-Type Activities							
Net Assets	<u>\$24,406,620</u>	<u>\$24,236,439</u>	<u>\$24,343,239</u>	<u>\$25,227,438</u>	<u>\$26,578,001</u>	<u>\$27,493,777</u>	<u>\$27,429,409</u>
Primary Government							
Invested in capital assets, net of related debt	\$81,994,060	\$78,523,887	\$74,354,275	\$62,520,188	\$54,660,913	\$36,879,444	\$35,571,345
Restricted	38,510,706	40,108,692	35,040,583	31,077,232	26,913,213	33,832,570	25,622,231
Unrestricted	93,223,144	85,033,346	78,367,833	72,462,278	72,619,600	73,263,373	75,761,117
Total Primary Government							
Net Assets	<u>\$213,727,910</u>	<u>\$203,665,925</u>	<u>\$187,762,691</u>	<u>\$166,059,698</u>	<u>\$154,193,726</u>	<u>\$143,975,387</u>	<u>\$136,954,693</u>

\*The County of Ottawa implemented GASB Statement No. 34 as of and for the year ended December 31, 2001. Accordingly, data prior to 2001 is unavailable.

**COUNTY OF OTTAWA  
CHANGES IN NET ASSETS  
LAST SEVEN FISCAL YEARS\***

	Fiscal Year						
	2007	2006	2005	2004	2003	2002	2001
<b>Expenses</b>							
Governmental Activities:							
Legislative	\$627,625	\$520,618	\$548,532	\$469,994	\$485,174	\$495,502	\$475,045
Judicial	13,317,030	12,605,344	11,987,986	11,736,487	11,922,865	12,742,673	12,314,531
General government	13,401,945	15,175,102	13,962,772	13,628,246	11,665,978	11,048,540	9,462,268
Public safety	25,226,290	24,441,981	23,328,246	21,832,984	21,912,133	22,417,791	19,734,031
Public works	1,264,883	(1,437,838)	(508,530)	1,044,377	742,711	26,442	4,567,437
Health and welfare	57,160,468	54,270,351	51,784,416	48,066,300	45,357,514	43,436,806	39,924,234
Community and economic development	601,758	605,805	555,485	848,964	558,852		
Culture and recreation	1,868,818	1,994,991	1,830,849	1,658,024	1,326,197	1,310,229	1,324,736
Interest on long-term debt	1,018,189	741,070	709,485	890,774	958,283	1,009,585	1,274,567
Total Governmental Activities Expenses	114,487,006	108,917,424	104,199,241	100,176,150	94,929,707	92,487,568	89,076,849
Business-Type Activities:							
Delinquent tax collection	2,541,550	2,243,439	1,789,661	1,888,210	1,892,364	1,893,669	1,884,112
Total Business-Type Activities Expenses	2,541,550	2,243,439	1,789,661	1,888,210	1,892,364	1,893,669	1,884,112
Total Primary Government Expenses	\$117,028,556	\$111,160,863	\$105,988,902	\$102,064,360	\$96,822,071	\$94,381,237	\$90,960,961
<b>Program Revenues</b>							
Governmental Activities:							
Charges for services:							
Judicial	\$3,737,197	\$3,799,831	\$3,669,496	\$3,337,581	\$3,210,168	\$3,371,423	\$3,372,516
General government	7,937,129	7,828,177	8,030,479	8,049,440	8,747,622	7,760,923	7,002,539
Public safety	5,047,927	5,048,970	4,761,022	4,442,960	4,139,168	3,893,681	3,327,639
Public works	403,922	446,501	441,146	417,824	417,582	445,492	432,764
Health and welfare	2,575,152	2,717,256	2,750,778	2,434,930	2,445,701	2,228,505	2,280,064
Community and economic development	10,605	23,770	20,997				
Culture and recreation	560,488	289,658	301,842	411,092	355,147	276,531	274,806
Interest on long-term debt	2,769,438	2,439,503	2,008,656	2,243,461	2,351,754	2,357,518	2,359,120
Operating grants and contributions	51,516,123	46,999,986	47,211,640	42,742,884	38,146,000	39,075,902	38,045,513
Capital grants and contributions	1,513,884	850,262	9,250,395	464,436	944,647	412,699	613,085
Total Governmental Activities Program Revenues	\$76,071,865	\$70,443,914	\$78,446,451	\$64,544,608	\$60,757,789	\$59,822,674	\$57,708,046
Business-Type Activities:							
Charges for services:							
Delinquent tax collection	1,711,915	1,291,853	1,095,241	936,481	1,004,489	1,175,605	1,234,332
Total Business-Type Activities Program Revenues	1,711,915	1,291,853	1,095,241	936,481	1,004,489	1,175,605	1,234,332
Total Primary Government Program Revenues	\$77,783,780	\$71,735,767	\$79,541,692	\$65,481,089	\$61,762,278	\$60,998,279	\$58,942,378
<b>Net (Expense)/Revenue</b>							
Governmental activities	(\$38,415,141)	(\$38,473,510)	(\$25,752,790)	(\$35,631,542)	(\$34,171,918)	(\$32,664,894)	(\$31,368,803)
Business-type activities	(829,635)	(951,586)	(694,420)	(951,729)	(887,875)	(718,064)	(649,780)
Total Primary Government Net Expense	(\$39,244,776)	(\$39,425,096)	(\$26,447,210)	(\$36,583,271)	(\$35,059,793)	(\$33,382,958)	(\$32,018,583)

**COUNTY OF OTTAWA  
CHANGES IN NET ASSETS  
LAST SEVEN FISCAL YEARS\***

	Fiscal Year						
	2007	2006	2005	2004	2003	2002	2001
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental Activities:							
Taxes							
Property taxes	\$41,740,361	\$49,182,314	\$44,867,713	\$41,606,745	\$30,477,703	\$29,108,216	\$27,635,964
Unrestricted grants and contributions	21,545	24,657	31,374	1,448,461	4,236,699	4,759,864	5,456,975
Investment earnings	6,740,703	5,007,679	2,514,383	2,440,814	3,622,427	4,896,600	5,974,915
Miscellaneous	524,250	261,156	307,525	316,890	258,117	413,552	629,538
Capital contributions			0	100,000	6,149,100		
Transfers	24,224	7,738	618,987	805,899	746,305	442,988	508,140
Special item: Contribution to West Michigan Enforcement Team for formation					(481,329)		
Total Governmental Activities	<u>\$49,051,083</u>	<u>\$54,483,544</u>	<u>\$48,339,982</u>	<u>\$46,718,809</u>	<u>\$45,009,022</u>	<u>\$39,621,220</u>	<u>\$40,205,532</u>
Business-Type Activities:							
Investment earnings	999,816	844,786	440,423	401,166	547,099	1,332,432	1,421,743
Transfers			(630,202)	(800,000)	(575,000)	(550,000)	(525,000)
Total Business-Type Activities	<u>999,816</u>	<u>844,786</u>	<u>(189,779)</u>	<u>(398,834)</u>	<u>(27,901)</u>	<u>782,432</u>	<u>896,743</u>
Total Primary Government	<u><u>\$50,050,899</u></u>	<u><u>\$55,328,330</u></u>	<u><u>\$48,150,203</u></u>	<u><u>\$46,319,975</u></u>	<u><u>\$44,981,121</u></u>	<u><u>\$40,403,652</u></u>	<u><u>\$41,102,275</u></u>
<b>Changes in Net Assets</b>							
Governmental activities	\$10,635,942	\$16,010,034	\$22,587,192	\$11,087,267	\$10,837,104	\$6,956,326	\$8,836,729
Business-type activities	170,181	(106,800)	(884,199)	(1,350,563)	(915,776)	64,368	246,963
Total Primary Government	<u><u>\$10,806,123</u></u>	<u><u>\$15,903,234</u></u>	<u><u>\$21,702,993</u></u>	<u><u>\$9,736,704</u></u>	<u><u>\$9,921,328</u></u>	<u><u>\$7,020,694</u></u>	<u><u>\$9,083,692</u></u>

*(concluded)*

\*The County of Ottawa implemented GASB Statement No. 34 as of and for the year ended December 31, 2001. Accordingly, data prior to 2001 is unavailable.

**COUNTY OF OTTAWA  
FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
General Fund										
Reserved	\$2,383,291	\$2,359,739	\$1,914,675	\$1,734,514	\$1,630,225	\$1,388,523	\$1,368,696	\$1,353,157	\$1,444,077	\$1,337,010
Unreserved	19,763,187	17,503,887	15,970,916	15,567,791	12,932,053	10,929,404	13,797,056	12,696,152	12,141,816	14,244,697
Total General Fund	<u>\$22,146,478</u>	<u>\$19,863,626</u>	<u>\$17,885,591</u>	<u>\$17,302,305</u>	<u>\$14,562,278</u>	<u>\$12,317,927</u>	<u>\$15,165,752</u>	<u>\$14,049,309</u>	<u>\$13,585,893</u>	<u>\$15,581,707</u>
 All Other Governmental Funds										
Reserved	\$22,544,510	\$24,704,233	\$19,584,065	\$7,559,074	\$580,576	\$564,962	\$488,764	\$622,943	\$591,014	\$450,447
Unreserved, reported in:										
Special revenue funds	36,148,248	34,129,511	33,089,612	39,980,174	43,869,777	49,118,501	41,504,475	32,731,498	25,747,034	23,723,007
Capital projects funds	4,766,982	253,715	2,374,153					54,407	470,733	1,673,936
Permanent funds	266		331	209			4,996			
Debt service funds	10,801	10,381								
	<u>\$63,470,807</u>	<u>\$59,097,840</u>	<u>\$55,048,161</u>	<u>\$47,539,457</u>	<u>\$44,450,353</u>	<u>\$49,683,463</u>	<u>\$41,998,235</u>	<u>\$33,408,848</u>	<u>\$26,808,781</u>	<u>\$25,847,390</u>

**COUNTY OF OTTAWA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	2007	2006	2005	2004	2003
<b>Revenues</b>					
Taxes	\$41,740,361	\$49,182,314	\$44,867,713	\$41,606,745	\$30,477,703
Intergovernmental	56,197,074	50,708,309	56,055,124	47,634,209	45,591,195
Charges for services	9,767,081	9,646,695	9,795,022	10,135,135	10,797,855
Fines and forfeits	1,019,126	1,054,192	1,076,449	1,033,297	1,000,292
Investment earnings	4,362,275	3,184,509	1,561,657	1,413,570	1,826,467
Licenses and permits	624,236	674,810	745,950	704,422	661,333
Rental Income	6,442,950	5,998,857	5,442,363	5,253,344	5,244,366
Other revenues	1,764,038	1,832,591	2,189,691	989,481	1,013,754
<b>Total Revenues</b>	<b>121,917,141</b>	<b>122,282,277</b>	<b>121,733,969</b>	<b>108,770,203</b>	<b>96,612,965</b>
<b>Expenditures</b>					
Legislative	625,263	524,438	549,673	463,217	480,630
Judicial	13,576,215	12,723,585	12,124,762	11,754,724	11,717,496
General government	12,752,949	13,872,461	12,470,763	11,528,237	9,828,250
Public safety	25,809,803	24,611,221	23,646,691	21,889,931	20,811,049
Public works	863,260	668,915	550,295	682,435	677,432
Health and welfare	57,774,307	54,761,277	51,346,970	47,197,156	43,501,375
Community and economic development	600,570	605,318	555,363	843,051	555,858
Culture and recreation	1,498,687	1,641,831	1,507,733	1,310,643	977,414
Other governmental functions	147,251	163,642	119,565	107,577	99,322
Capital outlay	8,856,079	3,791,647	17,313,458	8,915,367	12,504,071
Debt service					
Interest and fiscal charges	1,059,013	733,395	1,298,259	904,901	965,822
Principal	1,830,000	1,720,000	1,460,000	1,395,000	1,340,000
<b>Total Expenditures</b>	<b>125,393,397</b>	<b>115,817,730</b>	<b>122,943,532</b>	<b>106,992,239</b>	<b>103,458,719</b>
Excess of Revenues					
Over (Under) Expenditures	(3,476,256)	6,464,547	(1,209,563)	1,777,964	(6,845,754)
<b>Other Financing Sources (Uses)</b>					
Transfers from other funds	18,396,869	17,593,905	21,046,183	18,932,766	12,420,974
Transfers to other funds	(18,343,645)	(18,030,738)	(19,880,952)	(14,881,599)	(11,141,169)
Transfers to component units					
Proceeds from Land Contract					
Issuance of bonds	10,000,000		7,865,000		
Refunding bonds issued			10,005,000		
Premium on bonds issued	78,851		690,972		
Payment to refunding bond escrow agent			(10,424,650)		
<b>Total Other Financing Sources (Uses)</b>	<b>10,132,075</b>	<b>(436,833)</b>	<b>9,301,553</b>	<b>4,051,167</b>	<b>1,279,805</b>
Special Item:					
Contribution to West Michigan					
Enforcement Team for formation					(481,329)
Residual Equity Transfer					
<b>Net Change in Fund Balances</b>	<b>\$6,655,819</b>	<b>\$6,027,714</b>	<b>\$8,091,990</b>	<b>\$5,829,131</b>	<b>(\$6,047,278)</b>
Debt Service as a					
Percentage of Noncapital Expenditures (1)	2.48%	2.19%	2.61%	2.34%	2.54%

(1) Capital expenditures within the functional expenditure categories have been deducted.

2002	2001	2000	1999	1998
\$29,108,216	\$27,635,964	\$26,228,129	\$25,332,297	\$24,745,645
46,857,944	46,792,519	43,848,640	38,846,726	35,147,772
9,335,988	8,468,512	7,636,824	7,432,594	7,353,232
1,068,804	1,083,225	1,016,413	1,101,646	1,154,175
4,442,975	4,804,119	3,810,625	1,257,063	3,588,190
545,031	533,326	456,867	454,486	452,160
5,504,855	5,424,089	5,050,184	4,622,025	4,611,609
1,153,830	1,378,215	2,789,556	3,830,534	1,036,065
98,017,643	96,119,969	90,837,238	82,877,371	78,088,848
489,564	469,478	483,042	364,344	302,595
12,709,838	12,190,228	11,682,651	10,603,396	9,961,093
9,789,942	8,235,430	9,135,010	11,703,261	7,988,605
21,798,498	16,521,273	15,061,039	13,321,138	12,118,515
746,928	625,731	536,191	552,978	474,062
43,083,010	39,256,986	39,744,250	35,212,144	33,273,749
1,126,684	1,156,873	2,919,619	5,759,894	1,737,166
60,411	49,341	54,464	1,070,854	1,249,406
1,658,659	3,942,697	431,414	1,280,767	10,218,191
1,020,975	1,072,564	1,120,902	1,165,832	1,202,246
1,295,000	1,245,000	1,200,000	1,135,000	900,000
93,779,509	84,765,601	82,368,582	82,169,608	79,425,628
4,238,134	11,354,368	8,468,656	707,763	(1,336,780)
16,127,216	15,080,069	13,172,429	12,686,227	8,256,103
(15,527,947)	(14,274,755)	(12,662,718)	(12,717,760)	(8,287,105)
	(2,461,108)	(2,325,777)	(2,143,889)	(1,969,437)
			24,300	200,000
599,269	(1,655,794)	(1,816,066)	(2,151,122)	(1,800,439)
		410,893	416,315	112,691
\$4,837,403	\$9,698,574	\$7,063,483	(\$1,027,044)	(\$3,024,528)
2.51%	2.87%	2.83%	2.84%	3.04%

**COUNTY OF OTTAWA**  
**ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY**  
**LAST TEN CALENDAR YEARS**

<b>Fiscal Year Ended Dec 31,</b>	<b>Residential Property (1)</b>	<b>Commercial Property (1)</b>	<b>Industrial Property (1)</b>	<b>Other Property (1)</b>	<b>Total Assessed Value (2)</b>	<b>Total Direct Tax Rate</b>	<b>Total Taxable Value (3)</b>	<b>Total Estimated Actual Value</b>	<b>Percentage of Assessed to Estimated Values</b>
1998	\$4,051,041,971	\$890,646,746	\$782,255,487	\$388,802,551	\$6,112,746,755	4.6985	\$5,512,945,217	\$12,275,581,379	49.80%
1999	4,406,152,953	971,912,201	824,265,224	421,126,041	6,623,456,419	4.4804	5,836,800,599	13,317,149,486	49.74%
2000	4,833,093,942	1,048,378,980	849,485,071	450,393,358	7,181,351,351	4.3812	6,192,771,645	14,417,045,022	49.81%
2001	5,276,733,794	1,131,363,739	913,986,052	515,736,876	7,837,820,461	4.3760	6,677,256,800	15,743,384,265	49.78%
2002	5,753,888,867	1,219,397,186	1,019,559,776	563,791,514	8,556,637,343	4.2722	7,179,278,659	17,199,500,005	49.75%
2003	6,249,467,098	1,280,277,578	1,014,262,258	612,132,852	9,156,139,786	4.1672	7,564,368,026	18,402,627,432	49.75%
2004	6,716,873,710	1,322,251,677	1,042,548,460	653,989,617	9,735,663,464	4.1611	8,017,866,823	19,552,979,984	49.79%
2005	7,236,894,083	1,384,464,924	1,043,983,418	680,080,009	10,345,422,434	4.2593	8,503,786,076	20,805,877,296	49.72%
2006	7,856,224,166	1,443,751,850	1,043,810,103	684,435,873	11,028,221,992	4.2579	9,027,094,310	22,170,339,035	49.74%
2007	8,322,378,855	1,525,255,251	1,138,353,787	733,806,001	11,719,793,894	4.3572	9,585,665,481	23,594,493,916	49.67%

**Source:** Ottawa County Equalization Department

(1) Real and personal properties have been combined into the categories above.

(2) County assesses property at approximately 50% of the actual value.

(3) For taxes levied in 1995, and each year thereafter, the legislature shall provide for the taxable value of each parcel of property not to increase by more than the increase in the immediately preceding general price level (CPI), or 5%, whichever is less, until such time as ownership of the property is transferred. When ownership of the parcel is transferred, the parcel shall be assessed at the applicable proportion of the current true cash value.

**County of Ottawa**  
**Direct and Overlapping Property Tax Rates (per \$1,000 of Taxable Value)**  
**Last Ten Calendar Years**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>County Direct Rates</b>										
Operating	3.9229	3.7055	3.6000	3.6000	3.5000	3.4000	3.4000	4.6666	4.6666	4.7666
Parks	0.3296	0.3289	0.3267	0.3245	0.3229	0.3208	0.3182	0.3174	0.3168	0.3165
E-911	0.4460	0.4460	0.4545	0.4515	0.4493	0.4464	0.4429	0.4419	0.4411	0.4407
<b>Total Direct Rate (1)</b>	4.6985	4.4804	4.3812	4.3760	4.2722	4.1672	4.1611	5.4259	5.4245	5.5238
<b>City and Village Rates</b>										
Coopersville	15.6445	15.4765	15.4488	15.2882	15.2700	15.1222	14.9036	14.9939	14.7991	14.9025
Ferrysburg	11.6250	11.0000	11.9975	11.9971	11.9899	11.9864	11.9788	11.9788	11.9788	11.5828
Grand Haven	12.4836	12.4820	12.6783	13.4788	12.7319	12.8663	13.2423	13.0859	13.0859	13.1853
Holland	15.7269	15.6699	15.9323	15.9104	15.6662	15.5895	15.5695	15.5396	15.4996	15.6497
Hudsonville	12.9662	13.3542	13.3542	12.2369	12.2369	12.2342	12.2322	12.2322	11.2226	11.2050
Zeeland	15.8500	15.1000	14.8858	12.8858	12.3852	11.3854	11.3854	11.3854	11.3854	11.3854
Spring Lake Village	12.1619	12.1619	12.1619	12.1619	12.1619	13.1619	13.1619	13.0619	11.9619	11.8619
<b>Township Rates</b>	1.26-8.18	1.25-8.10	1.35-8.07	1.09-9.33	1.03-8.11	1.0-8.02	1.21-8.02	1.21-8.08	1.35-8.12	1.35-8.12
<b>School Rates (2)</b>										
Homestead	3.40 - 8.00	3.29 - 8.15	3.40 - 8.15	3.40 - 9.23	3.34 - 9.23	3.28 - 9.21	3.10 - 9.25	3.00 - 9.25	3.00 - 9.25	3.00 - 9.25
Non-Homestead	18.00 - 26.00	21.29 - 26.15	21.40 - 26.15	21.40 - 26.69	21.34 - 26.68	21.28 - 27.21	21.10 - 27.25	21.00 - 26.96	21.00 - 26.78	21.00 - 26.78

(1) In October of 2004, the State of Michigan eliminated State Revenue Sharing payments to counties. To assist counties in preventing the loss of key services, the county property tax levy will gradually be moved up from December to July over three years. Beginning with the December 2004 tax collection, one third of the levy is placed into the Revenue Sharing Reserve Fund (RSRF) that the County will manage and be able to withdraw an amount equal to what we would have received in 2004, plus an annual increase equal to CPI (Consumer Price Index).

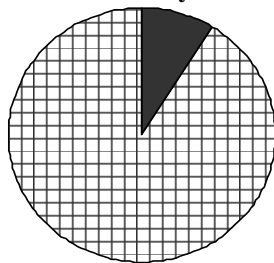
(2) Includes Community Colleges and Intermediate School Districts

**COUNTY OF OTTAWA  
PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Type of Business	2007			1998		
		Taxable Assessed Valuation (1)	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Valuation (1)	Rank	Percentage of Total County Taxable Assessed Value
Consumers Energy	Utility	\$334,367,823	1	3.49%	\$319,418,607	1	5.79%
Mirant Michigan Investments	Utility	156,341,444	2	1.63%			
Gentex Corporation	Automotive Components	85,197,352	3	0.89%			
Herman Miller Inc.	Office Furniture	63,372,031	4	0.66%	64,919,705	2	1.18%
Mead Johnson and Co.	Food Products	53,808,724	5	0.56%	64,863,442	3	1.18%
Shape Corp.	Metal Extrusion	37,105,778	6	0.39%			
Leprino Foods Inc.	Cheese Production	32,756,441	7	0.34%			
Bil Mar Foods Inc./Sara Lee	Food Products	28,852,456	8	0.30%	38,642,838	6	0.70%
Delphi Automotive Systems	Automotive Components	25,163,200	9	0.26%	46,191,600	5	0.84%
Parke-Davis Co.	Pharmaceutical	23,617,558	10	0.25%	48,132,904	4	0.87%
Prince Corp.	Automotive Components				36,365,670	7	0.66%
SEMCO	Utility				21,389,835	8	0.39%
Meijer	Retail Store				17,888,461	9	0.32%
Westshore Mall LLC	Mall				16,779,695	10	0.30%
		<u>\$840,582,807</u>		<u>8.77%</u>	<u>\$674,592,757</u>		<u>12.23%</u>

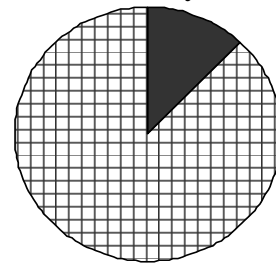
(1) Ottawa County Equalization Department. The 2007 and 1998 total Taxable Values were \$9,585,665,481 and \$5,512,945,217.

**Concentration of Taxpayers in  
Ottawa County - 2007**



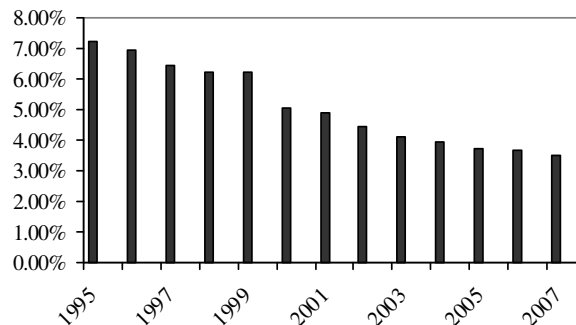
■ Top Ten Taxpayers □ All Other Taxpayers

**Concentration of Taxpayers in  
Ottawa County - 1998**



■ Top Ten Taxpayers □ All Other Taxpayers

**Consumers Energy as a Percentage of Tax  
Base**



**County of Ottawa  
Property Tax Levies and Collections  
Last Ten Calendar Years**

<b>Fiscal Year Ended Dec 31,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
1998	\$24,156,828	\$22,855,386	94.61%	\$1,224,626	\$24,080,012	99.68%
1999	24,700,201	23,380,348	94.66%	1,262,045	24,642,393	99.77%
2000	25,573,706	24,321,050	95.10%	1,193,165	25,514,215	99.77%
2001	27,098,718	25,716,262	94.90%	1,253,132	26,969,394	99.52%
2002	28,526,677	27,050,217	94.82%	1,306,377	28,356,594	99.40%
2003	29,917,491	28,520,096	95.33%	1,221,451	29,741,547	99.41%
2004	31,476,092	30,124,717	95.71%	1,186,588	31,311,305	99.48%
2005	35,555,360	34,244,434	96.31%	1,276,732	35,521,166	99.90%
2005/2006 (1)	36,588,240	35,249,126	96.34%	886,676	36,135,802	98.76%
2006	38,982,510	37,412,013	95.97%	904,946	38,316,959	98.29%
2007	41,867,866	40,269,739	96.18%	n/a	n/a	n/a

(1) Tax levy date is December 1 of each year until calendar year 2005, at which time a shift in the tax levy from December 1 to July 1 over a three-year period began in accordance with State of Michigan legislation. In 2005, 1/3 of the total levy was for 2005 operations, 1/3 was for 2006 operations and 1/3 of the total levy was for the Revenue Sharing Reserve Fund. In 2006, 2/3 of the total levy was for 2006 operations and 1/3 was for the Revenue Sharing Reserve Fund. All of the amount levied in 2007 was for 2007 operations.

**COUNTY OF OTTAWA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

	Primary Government		Component Units							
								(rounded)		
	General	Parks &	Ottawa	Ottawa		Percentage	Personal	Per		Per
Fiscal	Obligation	Recreation	County	County		of Personal	Income (2)	Capita		Capita
Year	Bonds	Land	Drain	Public	Total (1)	Income		Personal	Population (2)	Debt
		Contract	Commissioner	Utilities				Income (2)		
				System						
1998	\$24,405,000	\$503,312	\$1,160,000	\$83,740,432	\$109,808,744	1.80%	\$6,108,511	\$26,628	229,401	\$478.68
1999	23,270,000	491,027	1,055,000	91,746,903	116,562,930	1.82%	6,408,233	27,279	234,916	496.19
2000	22,070,000	443,085	950,000	87,316,981	110,780,066	1.66%	6,677,656	27,885	239,467	462.61
2001	20,825,000	391,595	835,000	82,441,021	104,492,616	1.55%	6,763,271	27,776	243,491	429.14
2002	19,530,000	336,242	765,000	82,982,895	103,614,137	1.51%	6,868,133	27,876	246,379	420.55
2003	18,190,000	284,781	695,000	76,026,536	95,196,317	1.33%	7,134,942	28,618	249,319	381.83
2004	16,795,000	228,737	625,000	74,624,536	92,273,273	1.24%	7,425,237	29,408	252,494	365.45
2005	23,230,000	167,703	320,000	72,572,533	96,290,236	1.22%	7,889,807	30,995	254,551	378.27
2006	21,510,000	101,232	265,000	67,990,533	89,866,765	1.09%	8,260,913	32,122	257,172	349.44
2007	29,680,000	28,840	240,000	101,463,236	131,412,076	n/a	n/a	n/a	259,206	506.98

In November 2001, the Ottawa County Road Commission issued \$4,500,000 in Public Act 143 bonds for the purpose of constructing a maintenance facility in Holland. The borrowing will be paid from the State revenue allocated to the County Road Commission for road purposes. The County did not pledge its full faith and credit for these bonds.

The County does not include the Nunica Drain in the above figures for Ottawa County Drain Commission as the County did not pledge its full faith and credit for this bond.

- (1) Does not include the landfill reclamation, compensated absences, and the net pension obligation.
- (2) Bureau of Economic Analysis, U.S. Department of Commerce - Personal Income (Thousands of Dollars) adjusted annually.

# COUNTY OF OTTAWA

## COMPUTATION OF DIRECT AND OVERLAPPING DEBT

DECEMBER 31, 2007

	<u>Net Debt Outstanding</u>	<u>Percentage Applicable To County of Ottawa</u>	<u>Amount Applicable To County of Ottawa</u>
<b>Direct:</b>			
County at large	\$29,680,000	100 %	\$29,680,000
Townships (1)	<u>99,619,038</u>	100 %	<u>\$99,619,038</u>
Total Direct	<u>\$129,299,038</u>		<u>\$129,299,038</u>
<b>Overlapping:</b>			
School districts	\$830,624,545	80.2 %	\$666,311,628
Cities and villages (1)	71,648,690	83.2 %	59,580,898
Grand Rapids Community College	51,245,000	1.3 %	640,563
Library	11,670,000	100.0 %	11,670,000
Holland Area Swimming Pool	<u>7,635,000</u>	66.6 %	<u>5,084,147</u>
Total Overlapping	<u>\$972,823,235</u>		<u>\$743,287,236</u>

**COUNTY OF OTTAWA**  
**RATIO OF NET GENERAL OBLIGATION DEBT OUTSTANDING AND LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Assessed Value of Property	\$ 11,719,793,894	\$ 11,028,221,992	\$ 10,345,422,434	\$ 9,735,663,464	\$ 9,156,139,786	\$ 8,556,637,343	\$ 7,837,820,461	\$ 7,181,351,351	\$ 6,623,456,419	\$ 6,111,765,315
Debt Limit 10% of Assessed Value	1,171,979,389	1,102,822,199	1,034,542,243	973,566,346	915,613,979	855,663,734	783,782,046	718,135,135	662,345,642	611,176,531
Amount of Debt Applicable to Limit										
General Obligation Bond Debt	131,383,236	89,765,533	96,122,533	92,044,536	94,911,536	103,277,895	104,101,021	110,336,981	116,071,903	109,305,432
Other Debt	28,840	101,232	167,703	228,737	284,781	336,242	429,095	596,395	738,147	1,006,742
Less: Resources Restricted to Paying Principal	(167,828)	(1,448,703)	(1,433,484)	(1,303,300)	(2,104,346)	(1,453,457)	(799,270)	(2,739,270)	(2,681,204)	(2,633,655)
Total Net debt applicable to Limit	131,244,248	88,418,062	94,856,752	90,969,973	93,091,971	102,160,680	103,730,846	108,194,106	114,128,846	107,678,519
Legal Debt Margin	<u>\$ 1,040,735,141</u>	<u>\$ 1,014,404,137</u>	<u>\$ 939,685,491</u>	<u>\$ 882,596,373</u>	<u>\$ 822,522,008</u>	<u>\$ 753,503,054</u>	<u>\$ 680,051,200</u>	<u>\$ 609,941,029</u>	<u>\$ 548,216,796</u>	<u>\$ 503,498,012</u>
Total Net Debt applicable to the Limit as a percentage of Debt Limit	11.20%	8.02%	9.17%	9.34%	10.17%	11.94%	13.23%	15.07%	17.23%	17.62%
Ratio of Net General Obligation Debt to Assessed Value of Property	1.120%	0.802%	0.917%	0.934%	1.017%	1.194%	1.323%	1.507%	1.723%	1.762%

(1) Total bonded debt does not include the Road Commission Bonds nor does it include the Vincent Drainage District because the County does not guarantee them.

**County Of Ottawa  
Demographic and Economic Statistics  
Last Ten Calendar Years**

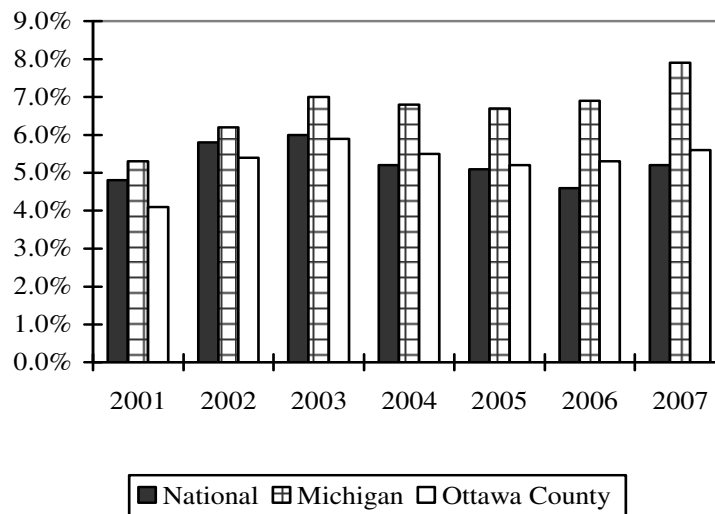
<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (thousands of dollars) (1)</b>	<b>Per Capita Income (1)</b>	<b>Median Age (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
1998	229,401	\$6,108,511	\$26,628	n/a	51,823	2.4%
1999	234,916	6,408,233	27,279	n/a	53,213	2.4%
2000	239,467	6,677,656	27,885	32.3	54,068	2.6%
2001	243,491	6,763,271	27,776	32.5	54,620	4.1%
2002	246,379	6,868,133	27,876	32.7	55,293	5.4%
2003	249,319	7,134,942	28,618	32.9	55,060	5.9%
2004	252,494	7,425,237	29,408	33.2	55,696	5.5%
2005	254,551	7,889,807	30,995	33.4	55,575	5.2%
2006	257,172	8,260,913	32,122	33.7	55,412	5.3%
2007	259,206	n/a	n/a	n/a	55,032	5.6%

n/a: Information is unavailable.

Sources:

- (1) U.S. Department of Commerce, Bureau of Economic Analysis, updated with most recent census figures
- (2) U.S. Census Bureau, updated with most recent census figures
- (3) Fourth Friday Count, Ottawa Area Intermediate School District
- (4) U.S. Department of Labor, Bureau of Labor Statistics

**National, State and County  
Unemployment Rates**



**COUNTY OF OTTAWA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Employer	Type of Business	2007			1998		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Herman Miller (1)(2)	Office Furniture	4,380	1	3.4%	5,290	1	4.0%
Johnson Controls (2)(3)	Automotive Interior Parts	2,774	2	2.2%	4,900	2	3.7%
Gentex Corporation	Automotive Mirrors	2,674	3	2.1%	1,345	8	1.0%
Haworth (2)	Office Furniture	2,349	4	1.8%	3,148	3	2.4%
Grand Valley State University	Higher Education	2,319	5	1.8%	1,609	7	1.2%
Holland Hospital	Health Care	1,812	6	1.4%	1,108	9	0.8%
Shape Corporation	Metal Roll Forming	1,388	7	1.1%			
Magna Donnelly (2)	Automotive	1,326	8	1.0%	1,900	5	1.4%
Meijer	Retailer	1,280	9	1.0%	2,026	4	1.5%
County of Ottawa	Government	1,192	10	0.9%			
Bil Mar Foods	Food Processing				1,700	6	1.3%
Delphi Automotive Systems	Automotive Components				1,050	10	0.8%
		<u>21,494</u>		<u>16.7%</u>	<u>23,026</u>		<u>18.0%</u>

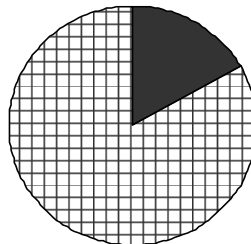
Source: Ottawa County Economic Development Office, Inc. Total employment in 2007 was 128,800 and in 1998 was 133,939

(1) Herman Miller includes all subdivisions

(2) Facilities located within Ottawa County and/or the City of Holland portion of Allegan County

(3) Includes Plastech employees

**Concentration of Employers  
in Ottawa County**



■ Top Ten Employers    ▨ All Other Employers

**COUNTY OF OTTAWA**  
**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION,**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>Function/Program</b>										
Legislative	11.000	11.000	11.000	11.000	11.000	13.000	13.000	13.000	13.000	13.000
Judicial	126.775	127.900	127.175	129.727	142.975	149.975	145.600	143.075	139.825	131.050
General Government	153.800	181.150	181.750	175.350	172.350	166.975	161.825	153.325	139.625	130.725
Public Safety	218.950	211.200	210.490	204.800	205.100	182.100	174.460	172.260	156.010	143.305
Public Works	4.720	4.600	4.600	2.600	2.590	2.090	1.590	1.590	1.400	1.288
Health and welfare	375.455	393.160	397.800	376.100	361.860	362.620	346.460	331.391	314.826	309.862
Community and economic deveopment	6.950	6.950	6.950	6.950	7.950	7.950	4.950	4.950	3.950	2.950
Culture and recreation	13.000	12.000	12.000	10.000	9.540	9.540	9.540	9.540	9.000	9.000
Buildings & Grounds	25.850	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	<u>936.500</u>	<u>947.960</u>	<u>951.765</u>	<u>916.527</u>	<u>913.365</u>	<u>894.250</u>	<u>857.425</u>	<u>829.131</u>	<u>777.636</u>	<u>741.180</u>

**Source:** Ottawa County Payroll

Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

**COUNTY OF OTTAWA  
OPERATING INDICATORS BY FUNCTION/PROGRAM,  
LAST TEN FISCAL YEARS**

Function/Program	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Judicial										
Circuit Court										
Total Civil Cases	1,263	1,237	1,202	2,105	1,713	1,614	1,833	1,556	1,560	1,892
Total Criminal Cases	1,218	1,169	1,055	1,359	1,136	1,104	977	917	942	1,041
District Court										
Felony Cases	1,584	1,477	1,347	1,385	1,392	1,449	1,325	1,344	1,146	1,332
Misdemeanor Cases	10,606	10,317	9,714	8,889	10,695	11,634	12,182	12,293	12,357	12,749
General Civil Cases	6,532	4,918	4,341	4,625	4,142	3,544	3,225	2,869	2,656	2,543
Probate Court										
Open Cases	6,031	5,838	4,894	3,328	3,587	1,899	1,725	N/A	N/A	N/A
Juvenile Court										
Total Offenses	3,019	2,439	2,737	2,760	3,086	3,115	2,810	3,160	3,099	3,428
Public Safety										
Jail:										
Subject Admitted	8,473	9,002	8,533	9,095	9,287	9,551	9,530	8,899	9,016	8,297
Average daily population	395.0	368.0	328.9	356.6	341.0	335.8	299.1	307.9	256.1	227.0
Police:										
Calls for Service	76,171	73,523	71,737	71,459	70,293	67,179	66,005	63,537	60,740	56,249
Criminal Arrests	9,755	10,122	9,890	9,412	9,615	11,075	9,954	10,081	9,838	N/A
Traffic Violations	26,283	28,011	25,937	20,272	20,657	22,557	23,723	20,394	20,426	18,816
Health and welfare										
Public Health										
# of Fixed Food Service										
Inspections	1,123	1,122	1,032	1,150	1,132	1,007	1,004	1,269	1,212	1,017
% of new entrants enrolled in										
school immunized	98%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pregnancy Service:										
# of Home Visits	4,720	4,847	4,997	4,258	7,529	10,300	11,227	12,486	11,721	8,877
# of Children in Fluoride Mouth										
Rinse Program	4,818	4,291	4,818	4,669	4,988	5,225	8,549	8,550	8,696	7,804
Mental Health										
# of Persons Served	3,076	2,964	3,041	2,955	3,088	3,008	3,228	3,017	n/a	n/a
Culture and recreation										
Parks:										

**COUNTY OF OTTAWA  
OPERATING INDICATORS BY FUNCTION/PROGRAM,  
LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>
# of Operating Days	100	101	101	97	100	95	99	103	101	103
Daily Permits	30,450	30,663	30,933	23,068	28,454	32,925	31,507	25,723	31,430	34,107
Annual Permits	5,925	5,638	5,850	4,218	4,857	5,470	5,379	4,580	5,266	5,734
General Government										
Register of Deeds:										
# of Deeds Recorded	10,173	10,156	11,625	12,452	13,549	12,145	11,243	10,590	11,758	11,496
County Clerk:										
# of Certified Copies (Births, Deaths, etc.)	21,182	19,294	19,097	18,773	21,178	22,913	23,895	18,823	20,946	18,706
County Treasurer:										
# of Receipts Written	15,172	15,477	15,271	17,950	24,199	23,892	23,768	24,200	23,271	22,362
Real Properties Returned										
Delinquent	7,043	6,349	6,814	6,453	6,887	7,672	7,632	7,958	7,453	7,696
Fiscal Services:										
# of A/P Checks Processed	25,678	26,517	26,891	25,471	25,633	26,188	25,768	25,302	24,661	24,441
# of Invoices Issued	11,929	11,002	10,388	8,823	8,015	7,701	7,199	7,098	7,086	5,455
Facilities Maintenance:										
# of Work Orders Processed	41,775	38,016	35,569	32,547	30,206	26,881	23,844	21,995	18,775	17,000

**Source:** Ottawa County Departments

**COUNTY OF OTTAWA  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Public Safety:										
Vehicular Patrol Units	134	133	130	131	130	128	116	111	86	81
Sheriff's Substations	8	8	7	7	7	7	6	6	6	6
Health and welfare										
Number of Clinics	4	4	4	4	4	4	4	4	4	4
Culture and recreation										
Total Park Acres	6,350	3,351	3,032	2,369	2,073	781 #	781	781	782	619
General Government										
Total Square Footage of Buildings	582,161	582,161	538,612	542,173	542,173	542,173	542,173	542,173	482,173	411,673
Number of IT Servers	34	27	24	14	11	11	10	9	8	4

**Source:** Ottawa County Departments

**COUNTY OF OTTAWA**

**WEST OLIVE, MICHIGAN**

**SINGLE AUDIT REPORTS**

**FOR THE YEAR ENDED DECEMBER 31, 2007**



*Vredeveld Haefner LLC*

# **COUNTY OF OTTAWA SINGLE AUDIT REPORTS**

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### **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

June 11, 2008

County of Ottawa  
Board of County Commissioners  
West Olive, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Ottawa, Michigan as of and for the year ended December 31, 2007, which collectively comprise the County of Ottawa's basic financial statements and have issued our report thereon dated June 11, 2008. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Mental Health Special Revenue fund as described in our report on the County of Ottawa's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. This report also does not include the results of our audits of the Ottawa County Road Commission, the Ottawa County Public Utilities System, the Ottawa County, Michigan Insurance Authority, the Ottawa County Central Dispatch Authority, or the Ottawa County Office of the Drain Commissioner component units which are reported on separately.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County of Ottawa's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Ottawa's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Ottawa's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County of Ottawa's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County of Ottawa's financial statements that is more than inconsequential will not be prevented or detected by the County of Ottawa's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County of Ottawa's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County of Ottawa's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Orlando Hoefner LLC*



*Vredeveld Haefner LLC*

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

June 11, 2008

County of Ottawa  
Board of County Commissioners  
West Olive, Michigan

**Compliance**

We have audited the compliance of the County of Ottawa with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2007. The County of Ottawa's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Ottawa's management. Our responsibility is to express an opinion on the County of Ottawa's compliance based on our audit.

The County of Ottawa, Michigan's basic financial statements include the operations of the Ottawa County Road Commission and the Ottawa County Public Utilities System Component Units which received \$6,004,379 and \$1,313,568, respectively, in federal awards that are not included in the schedule for the year ended December 31, 2007. Our audit, described below, did not include the operations of the Ottawa County Road Commission and the Ottawa County Public Utilities System Component Units because their federal awards are audited separately as more fully described in the Notes to Schedule of Expenditures of Federal Awards.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Ottawa's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Ottawa's compliance with those requirements.

In our opinion, the County of Ottawa, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2007.

## **Internal Control Over Compliance**

The management of the County of Ottawa is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County of Ottawa's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Ottawa's internal control over compliance.

*A control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

## **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Ottawa as of and for the year ended December 31, 2007, and have issued our report thereon dated June 11, 2008. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Ottawa's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Ordeland Haefner LLC*

**COUNTY OF OTTAWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

<b>Federal/pass-through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Agriculture:</u></b>		
Direct Programs:		
Conservation Reserve Program	10.069	\$ 15,180
Passed through Michigan Department of Education:		
Emergency Food Assistance Program - TEFAP	10.568	17,843
Emergency Food Assistance Program - Commodities	10.569	35,855
Commodity Supplemental Food Program	10.565	24,993
Commodity Supplemental Food Program - Commodities	10.565	93,636
National School Lunch Cluster:		
Commodities	10.550	7,282
School Breakfast Program	10.553	16,528
National School Lunch Program	10.555	29,698
Total passed through Michigan Department of Education		225,835
Passed through Michigan Department of Labor and Economic Growth		
Food Assistance Type A—Program Operations	10.561	34,153
Food Assistance Type B—Supportive Services	10.561	50
Total passed through Michigan Department of Labor and Economic Growth		34,203
<b>Total U.S. Department of Agriculture</b>		<b>275,218</b>
<b><u>U.S. Department of Commerce</u></b>		
Passed through Michigan Department of Environmental Quality		
Great Lakes Coastal Restoration Grant	11.419	3,180
<b><u>U.S. Department of Housing and Urban Development:</u></b>		
Passed through Michigan State Housing Development Authority:		
Community Development Block Grant	14.228	107,807
HOME Funds - Homebuyer Purchase Rehabilitation (HPR)	14.239	73,686
Section 8 & FSS (Family Self Sufficiency)	14.871	10,425
Section 8 Housing Choice Vouchers	14.871	93,826
Total passed through Michigan State Housing Development Authority		285,744
Passed through Michigan Department of Community Health:		
HUD Housing Assistance	14.235	75,291
HUD Housing Assistance	14.235	2,985
HUD Housing Assistance	14.235	202,959
Total passed through Michigan Department of Community Health		281,235
Passed through Center for Women in Transition:		
Homeless Management Information System	14.231	6,427
<b>Total U.S. Department of Housing and Urban Development</b>		<b>573,406</b>

(continued)

**COUNTY OF OTTAWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

<b>Federal/pass-through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Expenditures</b>
<b>U.S. Department of Justice:</b>		
Direct Programs:		
Byrne Memorial Formula Grant - 2005-DJ-BX-0528	16.738	\$ 18,680
State Criminal Alien Apprehension Program	16.606	137,746
Total Direct U.S. Department of Justice		<u>156,426</u>
Passed through Michigan Family Independence Agency:		
Building Restorative Communities	16.540	<u>60,000</u>
Passed through Ottawa Area Intermediate School District:		
Building Restorative Communities	16.540	3,000
Juvenile Accountability Incentive Block Grant	16.523	13,044
Total passed through Ottawa Area Intermediate School District		<u>16,044</u>
Passed through Michigan Department of State Police:		
Youth Alcohol Enforcement Grant	16.727	20,465
Domestic Cannabis Suppression Program	16.*	235
Total passed through Michigan Department of State Police		<u>20,700</u>
<b>Total U.S. Department of Justice</b>		<u><b>253,170</b></u>
<b>U.S. Department of Labor:</b>		
Passed through Michigan Department of Labor and Economic Growth:		
Employment Service - Wagner Peyser	17.207	368,164
Type A Trade	17.245	480,109
Type C Trade	17.245	26,510
Work First Read Act	17.225	1,116
WIA - Statewide Activities-Capacity Building - Worker Incentive	17.266	9,404
Workforce Investment Act (WIA) Cluster:		
WIA - Local Administration	17.258	44,294
WIA - Local Administration	17.259	68,471
WIA - Local Administration	17.260	77,366
WIA - Statewide Activities	17.258	1,033
WIA - Statewide Activities	17.259	1,133
WIA - Statewide Activities	17.260	1,782
WIA - Reed Act (One Stop Operation)	17.258	27,174
WIA - Reed Act (One Stop Operation)	17.259	29,679
WIA - Reed Act (One Stop Operation)	17.260	47,814
WIA - DW Rapid Response Scholarship	17.260	33,175
WIA - Statewide Activities-Incumbent Worker	17.258	4,334
WIA - Statewide Activities-Incumbent Worker	17.259	4,707
WIA - Statewide Activities-Incumbent Worker	17.260	88,080
WIA - Rapid Response 21st Century	17.260	57,261
WIA - Statewide Activities-Displaced Homemaker	17.258	11,485
WIA - Statewide Activities-Displaced Homemaker	17.259	12,473
WIA - Statewide Activities-Displaced Homemaker	17.260	20,765
WIA - Statewide Activities-Capacity Building E	17.258	18,489
WIA - Statewide Activities-Capacity Building E	17.259	20,081
WIA - Statewide Activities-Capacity Building E	17.260	33,430
WIA - Youth	17.259	663,423

(continued)

**COUNTY OF OTTAWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

<b>Federal/pass-through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Expenditures</b>
WIA - Statewide Activities	17.258	\$ 3,549
WIA - Statewide Activities	17.259	3,854
WIA - Statewide Activities	17.260	6,416
WIA - Adult	17.258	470,335
WIA - Statewide Activities	17.258	4,968
WIA - Statewide Activities	17.259	5,494
WIA - Statewide Activities	17.260	8,200
WIA - Dislocated Workers Grant	17.260	723,189
<b>Total U.S. Department of Labor</b>		<b>3,377,757</b>
<b><u>U.S. Department of Transportation:</u></b>		
Passed through Michigan Department of State Police:		
Drive Michigan Safely	20.600	21,869
Hazardous Materials Emergency Preparedness	20.703	945
<b>Total U.S. Department of Transportation</b>		<b>22,814</b>
<b><u>U.S. Environmental Protection Agency</u></b>		
Passed through Michigan Department of Environmental Quality:		
Upper Macatawa: Geerling Easement Project	66.460	20,000
SOM - Great Lakes	66.472	8,788
Noncommunity - Operator Certification Grant	66.471	6,200
<b>Total U.S. Environmental Protection Agency</b>		<b>36,988</b>
<b><u>U.S. Department of Energy:</u></b>		
Passed through Michigan Family Independence Agency:		
Weatherization Assistance for Low-Income Persons	81.042	214,191
<b><u>U.S. Department of Health and Human Services:</u></b>		
Passed through Michigan Department of Community Health:		
SOM - Family Planning	93.217	121,752
SOM - Family Planning	93.217	82,195
SOM - Dental Grant	93.236	46,007
Childhood Immunization Program - Vaccines	93.268	1,219,865
SOM - Immunization IAP	93.268	20,721
SOM - Immunization IAP	93.268	8,880
SOM - Immunization IAP	93.268	75,482
SOM - Immunization IAP	93.268	13,320
Immunization - AFIX	93.268	700
Immunization - Nurse Education	93.268	2,850
VFC Provider Site Visits	93.268	3,400
Bioterrorism - Pan Flu	93.283	103,061
Bioterrorism - Focus A	93.283	188,125
Bioterrorism - Focus A	93.283	13,125
MH Block Grant - Drop In Center	93.958	61,826

(continued)

**COUNTY OF OTTAWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

<b>Federal/pass-through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Expenditures</b>
Preadmission Screenings and Annual Resident Reviews	93.778	\$ 38,346
Preadmission Screenings and Annual Resident Reviews	93.778	70,832
SOM - Case Management Serv. (CSHCS)	93.778	27,963
Care Coordination	93.778	59,108
SOM - AIDS/HIV Prev.	93.940	2,000
SOM - AIDS/HIV Prev. 2005/06 add'l payment	93.940	8,364
SOM - Case Management Serv. (CSHCS)	93.994	29,310
SOM - Family Planning	93.994	41,310
SOM - Oral Health	93.994	41,148
SOM - Maternal & Child Health Program	93.994	83,395
LCC Grant	93.959	33,443
LCC Grant	93.959	15,864
2006/2007 Title XIX Federal Financial Participation	93.778	19,836
<b>Total passed through Michigan Department of Community Health</b>		<b>2,432,228</b>
<b>Passed through Council of Michigan Foundations</b>		
Individual Development Accounts Partnership	93.558	915
<b>Passed through Michigan Department of Labor and Economic Growth</b>		
Work First - Type A	93.558	480,495
Work First - Type C	93.558	50,000
<b>Total passed through Michigan Department of Labor and Economic Growth</b>		<b>530,495</b>
<b>Passed through Michigan Department of Human Services:</b>		
Friend of the Court Incentive Payment	93.563	401,091
Temporary Assistance for Needy Families	93.558	33,112
Low Income Home Energy Assistance	93.568	39,882
Community Services Block Grant, Community Gardens	93.571	7,818
Community Services Block Grant	93.569	284,402
Community Services Block Grant, Migrant Services	93.569	16,723
Community Services Block Grant, Disc Funding-Tax Prep Assncc	93.569	9,956
Prosecuting Attorney Child Protection Investigations - Legal Services	93.658	5,840
Prosecuting Attorney Child Support Enforcement	93.563	108,804
Friend of the Court Child Support Enforcement	93.563	1,559,577
Child Support Enforcement Program - Medical	93.563	40,757
<b>Total passed through Michigan Department of Human Services</b>		<b>2,507,762</b>
<b>Total U.S. Department of Health and Human Services</b>		<b>5,471,400</b>
<b><u>U.S. Department of Homeland Security</u></b>		
<b>Passed through United Way of America</b>		
Emergency Food and Shelter National Board Program	97.024	20,000
<b>Passed through Michigan Department of Natural Resources</b>		
Boating Safety Financial Assistance	97.012	14,805
<b>Passed through Michigan Department of State Police</b>		
Emergency Management Performance Grant	97.042	31,667
Homeland Security Grant Program	97.067	793,501
<b>Total passed through Michigan Department of State Police</b>		<b>825,168</b>

(continued)

**COUNTY OF OTTAWA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

<b>Federal/pass-through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Expenditures</b>
Passed through West Michigan Shoreline Regional Development Commission, Region 6 HLSRGB		
2006 Homeland Security Grant	97.067	\$ 59,033
2007 Homeland Security Grant - Board Expenses	97.067	7,768
Total passed through West Michigan Shoreline Regional Development Commission, Region 6 HLSRGB		<u>66,801</u>
<b>Total U.S. Department of Homeland Security</b>		<u><b>926,774</b></u>
 <u><b>Executive Office of the President</b></u>		
Passed through Michigan Department of State Police		
High Intensity Drug Trafficking Areas (HIDTA) - Sheriff	-	<u>19,689</u>
 <b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>		<u><b>\$ 11,174,587</b></u>



# COUNTY OF OTTAWA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2007

### 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Ottawa, Michigan and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

### 2. COMPONENT UNITS

**Ottawa County Road Commission** - The Michigan Department of Transportation (MDOT) acts as the agent of the Federal Highway Administration (FHWA) in the administration of federal funds provided to the Ottawa County Road Commission for the improvement of road systems in Ottawa County. These funds, which total \$6,004,379 for the year ended September 30, 2007, cover projects under the certification of acceptance procedures or the secondary road plan procedures approved by the FHWA. Although these funds are provided for the improvement of road systems in Ottawa County, MDOT, as the agency of FHWA, is responsible for controlling the receipts and disbursements related to these funds. In this capacity, MDOT also awards construction and in some instances, contracts for other services. Ottawa County receives interim and final accounting of receipts and disbursements for these projects from MDOT. since all project administration is performed by MDOT, the above amount is not included in the County's schedule of expenditures of federal awards.

**Ottawa County Public Utilities System** - The Ottawa County Public Utilities System received federal funding totaling \$1,313,568 through a drinking water revolving fund loan. These funds were audited in a separate single audit of the Ottawa County Public Utilities System and are not included in the accompanying schedule of expenditures of federal awards.

### 3. SUBRECIPIENTS

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County of Ottawa provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA number</u>	<u>Amount provided to subrecipients</u>
Food Stamp Program Operations Allocation	10.561	\$ 32,629
Temporary Assistance for Needy Families - Workfirst	93.558	307,812
Workfirst - Reed Act	17.225	945
Wagner/Peyser	17.207	270,361
TAA Trade	17.245	504,693
Workforce Investment Act - Adult	17.258	342,240
Workforce Investment Act - Youth	17.259	504,495
Workforce Investment Act - Dislocated Worker	17.260	577,370
Workforce Investment Act - Rapid Response	17.260	30,421
<b>Total</b>		<b><u>\$2,570,966</u></b>

# **COUNTY OF OTTAWA**

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2007**

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### **4. ACCOUNTING PERIOD**

Certain funds of the County utilize the fiscal years ended March 31, 2007, June 30, 2007, September 30, 2007, and December 31, 2007. Programs that fall under different fiscal years are reported on the schedule expenditures of federal awards based on the funds fiscal year end.

**COUNTY OF OTTAWA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued	Unqualified on basic financial statements	
Internal controls over financial reporting		
Material weaknesses identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

**Federal Awards**

Internal control over major programs		
Material weaknesses identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiencies identified not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

Type of auditors' report issued on compliance for major programs	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with Circular A-133, section 510(a)?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
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**Identification of Major Programs**

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.585	Commodity Supplemental Food Program
93.558	Temporary Assistance for Needy Families
93.569	Community Services Block Grant
17.207	Wagner/Peyser Employment Services
17.245	TAA Trade Type A and Type C
17.258, 17.259, 17.260	Workforce Investment Act Cluster
81.042	Weatherization

Dollar threshold used to distinguish between Type A and B programs?	<u>\$335,238</u>
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None noted.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None noted.

**SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS**

Finding 2006-1 - Finding was properly resolved during the year ended December 31, 2007.